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THESIS

**UNITED STATES COUNTER-NARCOTICS POLICIES
TOWARDS BURMA, AND HOW THE ILLEGAL
MYANMAR REGIME IS MANIPULATING THOSE
POLICIES TO COMMIT ETHNIC GENOCIDE**

by

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June 2006

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POLICIES TO COMMIT ETHNIC GENOCIDE**

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ABSTRACT

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Since the Burmese military regime's brutal suppression of the pro-democracy movement in 1988, the US has severed all economic relations with the country. The Burmese economy, which was already far from stable, fell into a downward spiral as a result of these US-led policies. This did not result in a democratic transition. Over seventeen years since these economic sanctions have been in place, the US has not achieved a peaceful regime change in Burma. Furthermore, the attempts to remove the significant flow of illicit narcotics from the country have failed as well.

The reason these two singular-oriented policies have failed is that they are targeted at a country much more complex than these strategies have been designed to handle. First of all, there are 135 ethnicities in Burma, while only a small portion of the Burman population maintains political and economic control. Although this would result in ineffective policies with little collateral impact, the ruling Tatmadaw regime has manipulated these policies to commit ethnic genocide upon the ethnic minorities within their territory. Unless a re-assessment of these policies is undertaken by the US and its allies, the only result of their policies will be the elimination of millions of ethnic minorities in this totalitarian state.

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ACRONYMS AND ABBREVIATIONS

ACI	Andean Counter-drug Initiative
AFPFL	Anti-Fascist People's Freedom League
AIPMC	ASEAN Inter-Parliamentary Myanmar Caucus
ASEAN	Association of Southeast Asian Nations
BDA	Burmese Defense Army
BIA	Burmese Independence Army
BSO	Bureau of Special Operations
BSPP	Burmese Socialist Program Party
CCDAC	Central Committee for Drug Abuse Control
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CIA	Central Intelligence Agency
CPB	Communist Party of Burma
CRC	Convention on the Rights of the Child
DEA	Drug Enforcement Agency
GWOT	Global War on Terrorism
ICESR	International Covenant on Economic Social, and Cultural Rights
ICMP	UNODC International Illicit Crop Monitoring Program
IDP	Internally displaced persons
IIE	Institute of International Economics
IIFC	Interagency Intelligence Fusion Center
ILEA	International Law Enforcement Academy
ILO	International Labor Organization
ILC	International Labor Council
IMF	International Monetary Fund
INL	International Narcotics and Law Enforcement Affairs
JIATF-W	Joint Inter Agency Task Force West
KIO	Kachin Independence Organization
KNLA	Karen National Liberation Army
KNU	Karen National Union

MAPT	Myanmar Agricultural Products Trade
MNDAA	Myanmar National Democratic Alliance Army
MNNA	Major Non-NATO Ally
MOU	Memorandum of Understanding
MTA	Mong Tai Army
NGO	Non-governmental organization
NMSP	New Mon State Party
ONDCP	Office of the National Drug Control Policy
RC	Revolutionary Council
RTA	Royal Thai Army
SLORC	State Law and Order Restoration Council
SPDC	State Peace Development Council
SSA	Shan State Army
UN	United Nations
UNICEF	United Nations Children's Emergency Fund
UNDP	United Nations Development Program
UNCHR	United Nations High Commissioner for Refugees
UNFET	United Nations Forces East Timor
UNODC	United Nations Office of Drugs and Crime
UNSG	United Nations Secretary General
UWSA	United Wa State Army
UWSP	United Wa State Party
WADP	Wa Alternative Development Program
WFP	World Food Program

I. INTRODUCTION

A. BACKGROUND

Burma is the second largest producer and trafficker of heroin in the world today, second only to Afghanistan.¹ Additionally, Burma is one of the largest producers of methamphetamines in mainland Southeast Asia. In the 2006 International Narcotics Control Strategy Report (INCSR)², Burma was designated as a focus-country concerning the levels of illegal narcotics produced within, and transported from, the country.³ This report identifies Burma's high production and export of illegal narcotics to be a significant destabilizing force in Southeast Asia, as well as the rest of the world.

From a strategic perspective, the United States (US) has a significant stake in the Southeast Asian mainland and does not want the region to be destabilized. The largest strategic competitor to the US is China, which borders Burma, Laos, and Vietnam to the North. Any destabilization in the region would only improve China's position vis-à-vis the US concerning the other nation-states on the mainland. Furthermore, the eastern region of Burma, where the majority of the Burmese opium and amphetamine-type substance (ATS) production occurs, also borders the US' most important regional ally: Thailand.

On October 19, 2003, President George W. Bush designated Thailand a Major Non-NATO ally (MNNA).⁴ Being designated an MNNA guarantees Thailand mutual security status with the United States, second only to those countries in the North Atlantic Treaty Organization (NATO). Thailand is also a pivotal ally to the US regarding the Global War on Terrorism (GWOT), providing vital intelligence on regional terrorist

¹ CIA World Factbook. Downloaded from www.cia.gov/factbook/ on September 13, 2005. Estimated production in 2004 at 292 metric tons.

² INCSR 2006.

³ 23rd time Burma was designated in the INCSR.

⁴ DoS Thailand Embassy website. Downloaded from <http://bangkok.usembassy.gov/> on November 17, 2005.

organizations. Due to the US' close relationship with Thailand and its proximity to China, Burma has become a focal point for the United States' international counter-narcotic policies in Southeast Asia.

The flow of illegal drugs from Burma does not end in Thailand. Instead, the flow of narcotics transportation continues on to the global black markets, spreading their destabilizing effects into countries around the world. In August 2002, "yaa baa" methamphetamine pills produced in Burma were seized by US customs agents in Sacramento, CA.⁵ At least 75,000 "yaa baa" pills were seized in the raid, a significant number considering the distance they had to travel before they were captured.⁶

The INCSR report, which identifies the countries considered to be complicit in the production, transportation, or money laundering and financial crimes in support of narcotics trafficking, is submitted annually from the Department of State to the US Congress. The report focuses on US' foreign relations and international narcotics programs in compliance with the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.⁷ This year Burma was designated a major illicit drug producing and transit country as well as a major money laundering country.⁸ The INCSR coordinates the US policy-orientation toward Burma's widespread trafficking of illicit narcotics, but also connects the US policies to the United Nations Office of Drugs and Crime's (UNODC) policies in Burma. This also links the US counter-narcotic efforts to the other UN counter-narcotic policies implemented by additional nation-states into a multilateral effort.

Not surprisingly, Burma is a complex country where a singular policy orientation does not resolve the issue of narcotics production within the country. The main reason is that the illicit drug producers in Burma are not a corrupt faction of the Burmese government, nor are they members of the ethnic majority. The majority of the drug-producing warlords in Burma are from small minority paramilitary forces in the mountainous periphery of the country. The general population in the mountainous areas

⁵ Yaa Baa means "crazy medicine" in Burmese; It refers to the extremely potent type of ATS produced in Northeastern Burma.

⁶ Downloaded from the ALTSEAN Narcotics Chronology at www.altasean.org.

⁷ 1988 UN Drug Convention – INCSR p. 3.

⁸ One of the few countries designated as non-compliant in all three areas; - INCSR p. 3.

of Northeastern Burma uses opium as a cash crop to trade for food. Unfortunately, rice does not grow well in this region, and opium is the sole agricultural product for these minority farming communities.

The insurgent ethnic paramilitaries, which have traditionally defended these minorities and fought for autonomy from the Tatmadaw regime, have maintained their forces through the trafficking of these illegal narcotics.⁹ Because these forces are in opposition to the ruling government of Burma, a coordinated effort between counter-narcotic forces in Burma and the US should effectively establish a powerful in-road against the drug producing warlords. However, the true nature of this issue is much more complex than the trans-national flow of illegal narcotics.

The primary reason for the complexity of enacting counter-narcotic policies in Burma is the illegal regime which has maintained control of the country since 1962. Because of the Myanmar regime, Burma is not just a focal point for the US due to the production and trafficking of illegal narcotics. As a result of the brutal suppression of student protestors during the “8-8-88 massacres” in 1988, the United States has enacted economic sanctions for the goal of encouraging regime change and democratization in the country.¹⁰

Immediately following the US’ condemnation of the Rangoon regime, the US severed all economic aid to the country, and established sanctions against the ruling party. Currently the US foreign policy toward the Tatmadaw regime in Burma has been one of isolation. Multilateral economic sanctions, led by the US and the United Kingdom, have forced the regime to seek support among its Southeast Asian neighbors and other global powers.¹¹ This support has enabled the regime to survive despite sanctions from the Western economies isolating the regime for the past seventeen years.

The dual natures of the economic and counter-narcotic policies have created a situation which ruling Myanmar regime can manipulate with ease. The regime, due to its

⁹ Tatmadaw is the name of the military in Burma. The regime’s ruling council made up of active and retired generals form the Tatmadaw. The regime is referred to as the Tatmadaw Regime, Rangoon Regime, Military Junta, and Myanmar Regime. This thesis will focus on differentiating the regime form the country of Burma, while highlighting that the military’s connection to the ruling council is where the control is maintained.

¹⁰ Fink, p. 50.

¹¹ China and Russia.

complete control of the country's economy, has transferred the destabilizing effects of the economic sanctions toward the general population, further consolidating and centralizing its power. Because the focus of the regime has been solidarity and unity among its population since Burma gained independence in 1948, this centralizing effect of the sanctions works in the favor of the regime. This has worked against not only the democratic movements within its own ethnic majority, but the ethnic minorities fighting for autonomy as well.

Because the ethnic minorities and their insurgent military forces in the periphery of the country have been removed from the general economic infrastructure for some time, they have been forced to subsist on an illegal trade of narcotics; opium and methamphetamines. Consequently, Burma's trans-national sale of these drugs has made them the target of international counter-narcotic efforts, led by the US. The combined policies of eradication, interdiction, and education have undermined the sole source of subsistence for millions of people already suppressed by their own government.

The combined result of these "good-intentioned" policies is to support the true goal of the Tatmadaw regime in Burma, which is the ethnic cleansing of the minorities in opposition to the authoritarian rule of the country's military. In the seventeen years since the US established the economic sanctions against the Myanmar regime, no democratization has occurred in the government. Furthermore, with the manipulation of the information the US receives concerning the opium ban, the US' belief that the flow of drugs from Southeast Asia is being eliminated, is incorrect.

By re-evaluating these policies, including the policies of economic isolation through sanctions which the US has implemented against the regime, an adjustment towards progressive engagement could bring the Myanmar regime back towards peaceful democratic negotiations. A progressive democratic regime is what is needed in order to eliminate the conflict, and therefore the need for a thriving narcotics trade, in Burma.

B. PURPOSE

This research focuses on the United States' counter-narcotics policies in Southeast Asia, and those policies being subverted by the illegal Myanmar regime in Burma to

commit genocide against the ethnic minorities in their territory. Recently, US economic policies toward Burma have focused on imposing multilateral sanctions in order to encourage the restoration of the legal democratic regime. Regrettably, these sanctions have been devastating to the Burmese economy, yet not effective in dislodging the illegal regime.

Furthermore, with the application of UN and US counter-narcotic policies in Southeast Asia focusing on eliminating the drug flow, these policies are starving and undermining the very ethnic minorities the sanctions are meant to empower.

This thesis intends to highlight the difference between the democratic movements in central Burma and the ethnic minority conflicts on the periphery. Because US policies are focused on the restoration of a democratic government and the elimination of illegal narcotics, the resulting actions of genocide have been largely ignored outside of international human rights organizations.

The intention of the Tatmadaw is to maintain power, and they will manipulate these policies by any means necessary as long as it allows them to stay in control. The US, as the premier advocate of human rights, cannot allow its policies to be in aid of ethnic cleansing.

Simple policy adjustments concerning economic sanctions can be implemented in order to bring the junta back towards a policy of engagement with the democratic leadership in the country, and therefore the international community. If these adjustments are made, then the traditionally effective counter-narcotic policies the US is attempting to enact could be re-implemented with a focus toward developing alternate means of survival for both the regime and the ethnic minorities in Burma.

C. IMPORTANCE

The flow of heroin and methamphetamines from Burma is a major destabilizing force in Southeast Asian regional security. There are currently one million “yaa baa” addicts in Thailand today and shipments of “yaa baa” methamphetamines from Burma have reached as far as Sacramento, CA.¹²

¹² 75,000 pills were seized by US Federal Agents in a warehouse in 2003. Downloaded from www.altasean.org on August, 9, 2005.

The level of human rights atrocities in Burma have not only gone unchecked for over forty years, but have begun to accelerate. The levels of human rights abuses have caused other trans-national problems which are affecting additional countries in mainland Southeast Asia. Refugees have been escaping the abuses of the Tatmadaw by fleeing to Thailand and HIV/AIDS infections are at unprecedented levels. Furthermore, the conditions in the country of Burma are ideal for the economic support of terrorist organizations. The military junta's focus is on acquiring money to support their rule and their policies of ethnic cleansing.

From a strategic point of view, the continued counter-narcotic and sanction efforts have alienated Burma from not only Western countries, but have begun to force the Myanmar regime closer and closer into a satellite relationship with China. With India and China both bordering Burma, their strategic interests concerning the xenophobic Myanmar regime only intensifies the destabilizing power of the situation in Southeast Asia.

D. METHOD OF ANALYSIS AND LITERATURE REVIEW

There is extensive writing on the subject of illegal transnational narcotics smuggling from the Golden Triangle. Even with Afghanistan surpassing the region in heroin production following the Taliban's removal from power, the flow of dangerous narcotics to the rest of the world has prompted numerous analyses of the origins of the drug trade, the effects on the regional populations, and potential policies which could be taken to counter the drug flow from the region. Annual reports from the US Drug Enforcement Agency (DEA), the United Nations Office on Drugs & Crime (UNODC), as well as other national counter-drug agencies, have fueled numerous scholarly analyses of this dilemma.

Furthermore, there is a considerable amount of writing on the subject of freeing and establishing the elected National League for Democracy (NLD) leader Aung Suu Sang Kyi. Unfortunately, except for a few authors studying the effects of these policies upon Burma and the ethnicities within its borders, no author has addressed the issues

concerning how the combination of these policies could affect the minorities trying to survive within a chaotic environment like Modern Myanmar.

Pierre Arnaud Chouvy, in his article “Opium Ban Risks Greater Insecurity for Wa in Myanmar” is the closest in his assessment of the damage of the conflicting US policies to the ethnic minorities in Burma. Pierre claims that any action in Northeastern Burma that removes the sole source of income for the displaced minorities will only result in widespread famine and death. Pierre’s arguments are strong in statistical analyses about the reduction in opium, and address the “complex geopolitical chessboard” facing the ethnic minorities in Burma. Chouvy does not delve into the motivations of the Myanmar military beyond a focus on maintaining sovereignty and control though. He focuses instead on whether or not the Wa warlords are compliant in their opium reduction as a result of the autonomy. This is an important focus which sets the WA ethnicity away from the WA warlords as players in the decision concerning narcotic production, and sets the stage for a better understanding on how the perpetuation of ethnic conflict is used to garner benefits for selected elites on both sides of the ethnic conflict.

Jake Sherman, in his article: “Burma: Lessons from the Cease-Fire,” in the edited book: The Political Economy of Armed Conflict establishes an important change in thinking concerning the ability of powers to gain benefits from continuing conflicts. Sherman begins his study by quoting David Keen. Keen stated that “part of the function of war may be that it offers a more promising environment for the pursuit of aims that are also prominent in peacetime . . . [keeping] a war going may assist in the achievement of these aims, and prolonging a war may be a higher priority than winning it.” Sherman states that there are “actually two conflicts in Burma: Military Junta vs. the NLD / the military government and certain ethnic minority armed groups with which it is informally allied, and on the other hand, opposition armed ethnic minority group.” By perpetuating conflict with some minorities, and maintaining cease-fires with others, the NLD’s considerable support base from the ethnic minorities is eroded. While political economy writing has shifted into a stronger focus on the benefits of certain types of economic situations being perpetuated can create for elites in a conflict-economy, there is very little written specifically on Burma concerning this subject. Instead, this study has focused on African nations due to the larger availability of data on the subject.

Published in Joel Migdal's Boundaries and Belonging: States and Societies in the Struggle to Shape Identities and Local Practices, Mary Callahan, in her article "Making Myanmars: Language, Territory, and Belonging in Post-Socialist Burma" connects the link between the effects of the 1992 NLD election victories upon the psychology of the Myanmar regime. With the significant amount of consolidated support achieved by Aung San Suu Kyi and the NLD from the general Burmese population, as well as the ethnic minorities in the periphery regions, the paranoia of the Myanmar regime grew to higher levels. This is symbolized in the government policies of "Myanmarization" now in progress in the country. By eliminating the language and cultures of the ethnic minorities through educational programs, there is now a serious attempt by the Myanmar regime to absorb the non-violent remnants of the minority populations in the country. Mary Callahan establishes the continued actions of the Myanmar regime are just continuations of the same policies, the elimination of the ethnic power bases at the periphery of the country. As seen by the Jake Sherman article on perpetuating armed conflict, this is a goal which could be achieved while perpetuating their genocide of less-compliant ethnic minorities.

This is only a reasonable assessment if the psychological character of the Myanmar regime reflects these intentions. Andrew Selth's Burma's Armed Forces: Power without Glory, he addresses the history of the Myanmar regime, as well as the mind-set of the leadership in the policies it has implemented since coming to power in 1962. Giving powerful credence to the position of Burma as a lowland cross-road between significant global powers (India & China), Selth claims consolidation of any power in Burma requires a balance over these two geo-strategic powers. Furthermore, Selth emphasizes the difficulty of surviving what he calls, in Samuel Huntington's terms, "a position across the fault line of three major civilizations: the Hindus, Buddhists, and Confucians." The psychology of the Myanmar regime is vital to establishing the reasoning behind the actions of the military junta in throughout its rule can actually be linked to a long-standing character of the Burmese in their attempts to consolidate power within the region in the face of global powers on both of their borders.

Although many studies concerning Burma and the Myanmar regime have been published in recent years, they have rarely been focused on more than one aspect of the

country. Burma is traditionally studied from the perspective of democratization, human rights atrocities, the significant drug trade, or the ruling Tatmadaw military regime itself. Some authors have begun to address the issue of the economic sanctions causing more damage to the rural populations in the region, but no one has researched how the Tatmadaw has structured the political economy to their benefit.

Even the recent studies of the perpetuation of violence for the creation of a conflict-economy are a foray into political economic thought. The methodology applied in Jake Sherman and Karen Ballentine's The Political Economy of Armed Conflict: beyond Greed and Grievance (2003) and Mats Berdal and David Malone's Greed and Grievance: Economic Agendas in Civil Wars (2000) as a form of analysis for internal conflict economies was primarily applied to the conflicts within Cambodia, Sierra-Leone, and Angola. This study has not been analyzed within the context of the military regime in Burma and their attempts to commit ethnic genocide.

In truth, the factors which establish a shadow economy are typical of the economic manipulation for ulterior motives in a conflict economy like the one which exists in Burma today.¹³ The effects of humanitarian aid, economic sanctions, and the foreign direct investment (FDI) outside of sanctions must be studied in the context of a dual-economy, not the traditional study of an economy which is not experiencing an internal conflict.

E. CHAPTER-BY-CHAPTER SUMMARY

1. Chapter I – Introduction

The introduction will focus on the background behind the current situation in Burma and state the purpose and importance of the research. In addition, the dangers of the perpetuation of single-scope policies toward Burma will be established. Eventually, a multi-faceted approach to the complex layers of Burma, the illegal Myanmar regime, and

¹³ A Shadow Economy is an alternate method of economic growth maintained during a period of conflict or civil war. Shadow economies are related to illegal activities like narcotics trafficking, human slavery, and smuggling. Natural resources like oil, diamonds, and timber are the targets for exploitation, especially in a perpetual conflict like a civil war.

the ethnic warlords within the country, is needed to solve this Gordian knot of policies. The methodology of the case study, as well as the organization of the study, will be established in the introduction.

2. Chapter II – History

In the second chapter of the thesis, the focus will be on the historical background behind the current situation in Burma. The history of ethnic conflict, the rise of the Myanmar regime, and the treaties established with various insurgencies following the 1988 cease-fires will gain important focus. By showing that there is a consistent theme of playing ethnicities against each other to preserve a homogenous power-base among the Burmese ruling regime, a framework for the policies pursued by the Myanmar regime will be shown.

Furthermore, this history chapter will focus on countering the Myanmar regime's public relations publications which focus the blame for the country's problems on the period of British colonialism.

3. Chapter III – Current Myanmar

In the third chapter of this thesis, the historical policies of the regime can be seen in their current incarnation. The current ethnic conflict, the perpetuation of the Burmese conflict economy, and the spillover into international politics will be the main areas of analysis. Additionally, the three-pronged conflict between the Myanmar regime, the democratic movement against the military regime, and the ethnic populations at the periphery of the Burmese lands will be established in this chapter.

All of the important actors, both domestic and international, will be analyzed in this chapter. It will continue with a study of the international community, and the influence of the international movement toward multilateral sanctions against the Myanmar regime. The role the United Nations Security Council (UNSC) fulfills as the current center stage of the ongoing debate on how to deal with sanctions against the Myanmar regime.

Finally, this chapter will cover the role Association of Southeast Asian Nations (ASEAN) and ASEAN-plus nations have on the political and economic relationships within, and outside of, Burma.

4. Chapter IV – Patterns of Narcotic Smuggling

The fourth chapter will focus on the patterns of narcotics smuggling out of Burma. An Analysis of the production, movement, and distribution of heroin and methamphetamines enable the understanding of the policies undertaken by the Myanmar regime. Furthermore, the results of the spillover of narcotics production and smuggling into regional and global black markets will be established in this chapter. How this trafficking has inspired the US-led multilateral initiatives to counter the flow of these narcotics will also be shown.

5. Chapter V – US / International Counter-narcotic Policies

The fifth chapter will discuss the policies pursued by the United States concerning counter-narcotics in Burma. This chapter will be separated between the singular US policies, and the policies enacted by influential regional and global allies, particularly Thailand and the United Nations.

6. Chapter VI – Myanmar's Manipulation of US Policies

The sixth chapter will analyze the Myanmar regime's manipulation of the US and international policies in order to continue their domestic strategies of ethnic cleansing. The domestic policies of Myanmarization, a further analysis of the dual shadow and overt economies in the country, as well as the military cease-fire treaty systems will all be analyzed in the context of US counter-narcotic policies and sanctions.

The chapter will complete with an analysis of how an overt and shadow economy has become a vital factor in the manipulation of international policies to further the ethnic cleansing planned by the Myanmar regime.

7. Chapter VII – Conclusion

The final chapter in this thesis will summarize the main argument and the secondary questions. Several policy recommendations will be highlighted along with potential diplomatic, economic, and military solutions. It will include a final summation of the hypothesis and lessons learned from the thesis.

II. BURMESE HISTORY

A. ANCIENT BURMESE HISTORY

Ancient Burmese History, or the period leading up to the British Colonial period, must be analyzed in order to show that Burmese policies toward ethnic minorities pre-dates Western rule. In the mountainous periphery regions of the country these policies were established before the arrival of Western influence in the 18th century. Although most analysts blame the fracturing of Burma's ethnicities on the British colonial period, the policies implemented by the United Kingdom during their rule were actually based on practices created by the Burmese kings themselves.¹⁴

For the past one thousand years Burma has been unified by three Burmese dynasties. Initially, Burma was unified in this era by the Pagan Dynasty in 1044. This period is known as the "Golden Age" of Burma, when Theravada Buddhism, the official religion of Burma, was established. The Pagan dynasty maintained an independent rule until 1287, when Kublai Khan led a Mongol invasion into the country.¹⁵ At this time, Burma was fractured and the Shan rulers from the Eastern side of the country filled the political vacuum left by the Mongol invasion. They then transferred the capital to the city of Ava.¹⁶ However, the Shan never established total control over the country, as had the Burmese Pagan Dynasty, and the state remained splintered until the second Kingdom, the Toungoo Dynasty, was established in the fifteenth century.

The Toungoo conquered the Shan, and wrested control from their princes through vicious and protracted warfare.¹⁷ Interestingly, the Toungoo Dynasty was a large, multi-ethnic kingdom. This period of warfare would enable the Burmese to spread their rule across the Shan principalities in Eastern Burma, the Mon in Southern Burma, over Northern Thailand, and into portions of Laos.¹⁸ While much of the territory was

¹⁴ Fink, p. 59.

¹¹ Ibid.

¹² Ibid.

¹³ Downloaded from www.state.gov on May 1, 2006 - Bureau of East Asian and Pacific Affairs; Posted on August 2005.

¹⁴ Downloaded from Encyclopedia Britannica.

conquered by the Burmese Kings, many of the ethnic peoples became vassals and allies of the Toungoo dynasty. Consequently, a divide-and-conquer system of territorial control was established in this time period. The Toungoo rule lasted from 1486 until 1752, but the power of the empire was inconsistent in nature. The Shan Ava dynasty would rise again to combat the Toungoo in the late 16th century, and the Ayutthaya dynasty in Thailand would contest the Burmese kings for control over other Shan prince's loyalties.¹⁹

The first instance of Western influence started with Portuguese mercenaries from the Malaccan Maritime Provinces. These mercenaries were used in the wars between the Burmese and the Thai Kings.²⁰ The British and French would soon be making similar inroads into mainland Southeast Asia. This, along with the protracted wars with the Shan, Mon, and other cultures, brought about the fall of the Toungoo, and the rise of the Konbaung. The Konbaung established their rule in 1760 under Aluangpaya, a popular Burmese leader who fought the Shan and the Siamese Kings in the consolidation of his own empire. His rule was short due to his death in battle against the Siamese, but his children would continue the Burmese rule through this period of increasing Western incursion.²¹

Although Burma would solidify its sovereignty under the Konbaug Dynasty in the 18th century, and survive a succession of Chinese invasions, the country fell to the power of Western colonialism by 1885 at the close of the third Anglo-Burma War.²² Burma was then absorbed by the British-controlled Indian Empire, and became a protectorate of the United Kingdom.

Throughout these periods, even when the Burma Dynasties were at their height of power, their control over the hill tracts was "...largely nominal and exercised more through feudal relations than territorial conquests".²³ It was the traditional basis for autonomous rule, which the Burmese had practiced with their empire, which had inspired

¹⁹ Downloaded from Encyclopedia Britannica.

²⁰ Ibid.

²¹ Siam is the former name for the country of Thailand. In referring to Thailand prior to the 20th century, Siam will be used.

²² Downloaded from Encyclopedia Britannica.

²³ Sherman, p. 227.

the British to maintain the same type of feudal relationship. The traditional interpretation of managing the border territories extends to this period of ancient Burmese history. “Attack seldom succeeds because it’s hard enough to find Shans to attack; but one Shan can usually be neutralized through the opposition of another.”²⁴ These were the lessons which the British would apply to their management of Burma.

B. FOREIGN DOMINATION - BRITISH COLONIAL PERIOD AND JAPANESE OCCUPATION

1. Colonialism

From 1826 through 1885, Burma fought the British, and their Thailand allies, until the Konbaung Dynasty collapsed.



Figure 1. British Conquests during the Anglo-Burma Wars in the 18th Century

²⁴ Cowell, p. 5.

Instead of ruling Burma directly, the British placed the country under the indirect rule of the British Indian Colonial government. Although the Burmese would experience a period of economic growth and development during this time, they would be given no voice in their government, and were completely disenfranchised from the political process. In fact, the British colonial government was almost entirely manned by Indians.²⁵ The British system of law was adopted, removing the traditional law of the Burmese kings. The judiciary, much like the other facets of the government, was removed from the control of the Burmese population.

During the rule by the Indian Colonial Government, there were no Burma citizens in the Burmese military. The Indian military leaders focused on a recruitment of Mon, Karen, and Chin ethnicities, which were considered 'martial races' in the British empire.²⁶ The British saw the Burmese as inadequate soldiers, but were also concerned with arming the growing nationalist movements in the country. For a short time, from 1923 to 1937, Burma was granted a limited autonomy.

It was during this time of oppression that the Burmese began to develop nationalist movements among students. Ironically, these students had been educated under the new British education system. These nationalist groups tried to move into more and more positions of authority in the bureaucracy; however they mainly entered into the few positions open to the Burmese in the Colonial Army.

2. Japanese Occupation

The Japanese invasion into Burma gave the Burmese an opportunity to re-take power in their country. Upon Japanese occupation, the small number of Burmese citizens in the British Indian Colonial army immediately deserted to form the Burmese Independence Army (BIA). The Japanese, much like the British, were fearful of the power the BIA, but instead decided to incorporate the Burmese into their plans for the future of the region. Because the British forces in the Burmese theatre in World War II were primarily drawn from ethnic minorities, the Japanese sought to undermine those

²⁵ The estimated census number of Indians in Burma had increased to one million out of 14.5 million in 1931 – Johari, p. 36.

²⁶ Selth, p. 9.

forces by consolidating power among the Burmese.²⁷ The Japanese re-distributed the 3000 Burmese soldiers from the BIA into the Burmese Defense Army (BDA). Next they created a national war college for officers. Finally, they established the Nationalist leader, , as the Minister of Defense. A BDA Battalion officer named Ne Win was then elevated to the position of Commander-in-Chief of the Army. Both and Ne Win had been members of Burmese Nationalist movements prior to the arrival of the Japanese.

The Burmese “puppet” government established by and the Japanese was comprised of ethnically Burmese citizens, and was the first opportunity for the Burmese to regain self-rule, albeit under the Japanese umbrella, since the British colonial occupation began in the eighteenth century.²⁸ The retaliation against the Karen minorities who had been raised to positions of prominence among the Indian Colonial administrations was immediate.²⁹

The Burmese would not oppose the overriding Japanese control throughout the war, even with the Burma theatre becoming an important part of the War. However, when lead the BDA to fight alongside the Axis in 1945, upon witnessing the weakening of the Japanese regime against the Allies, he decided to join them. With the surrender of the Japanese, the British were in a precarious position as to how to deal with the rise of Burmese nationalism

C. BURMESE INDEPENDENCE AND DEMOCRATIC RULE (1948-1962)

On January 4th, 1948, Burma gained its independence from the United Kingdom (UK). A constitution was established, setting up a bicameral legislature, a prime minister, and a supporting executive cabinet.³⁰ A truly representative government was established, including the representation and enfranchisement of the multiple ethnic minorities in the mountainous regions around the country. Furthermore, Aung San, the “Father of Burmese Independence,” negotiated deals with the UK which allowed him the power to

²⁷ In 1925, the Indian government declared recruits would only come from Kachin, Chin, and Karen races - Selth, p. 9.

²⁸ Selth, p. 8.

²⁹ Ibid.

³⁰ Vaclew – p. 1.

brokered the Burmese independence.³¹ He initially made deals with the various ethnic minorities in the periphery of Burma. The Shan, Kachin, Kaya, Kayin, and Chin minorities were granted a degree of regional autonomy in their territories with the option to secede at a later date, if they felt they were not fully represented by the Union of Burma.³² 's goal was to maintain national unity until the fledgling democratic government could secure power. Unfortunately, Aung San was assassinated in 1949, and his coalition collapsed immediately.³³

From the moment of Aung San's assassination, the Union of Burma was beset by internal strife from social, political, and conflicting ethnic groups. First, the fall of the Kuomintang (KMT) government in China in 1949 resulted in a mass exodus of Nationalist forces from the Yunnan Province into the Shan State in Northeastern Burma.³⁴ The KMT were based in Northeastern Burma and launched assaults into China with covert aid from the United States' military.³⁵ Then, Mao Zedong, as the leader of Communist China, used these incursions as an excuse to invade Burma in order to hunt the KMT forces. Not surprisingly, the Burmese army was not strong enough to defend these borders, especially when they were dealing with internal conflicts against ethnic insurgents.

The young and extremely small Burmese Army was forced to face a country which was fractured along ethnic, religious, and colonial lines, and heavily armed following years of global conflict.³⁶ "Tats", or pocket armies led by local politicians, communist insurgents, exiled Chinese KMT nationalists, ethnic minority rebel armies, and numerous criminal elements were all operating during this time period.³⁷ When the Burmese army would occupy territories, like the Shan State region, where they fought to

³¹ Selth, p. 8.

³² 1947 Panlong agreement gave these ethnicities "full autonomy in internal administration for the Frontier Areas.

³³ Ibid.

³⁴ Selth, p. 11.

³⁵ Fink, p. 24.

³⁶ General Ne Win commanded only 2000 soldiers in 1949 – Selth, p. 11.

³⁷ Ibid.

remove the KMT, they would enact revenge on the Shan villagers.³⁸ Similar reports were recorded in the Karenni State, as well as among Mon and Arakanese nationalists.³⁹

Despite internal strife in the Union of Burma, there was a significant amount of strength behind the future of the country. In 1935, Burma became the leading rice exporter in the world.⁴⁰ A strong infrastructure built by the British colonial period, and the Japanese occupation, gave the Burmese considerable opportunity to progress as a political society.⁴¹ Furthermore, the education system in Burma had been strongly supported by the British during their rule, which provided Burma a pool of educated and skilled human capital.⁴² Unfortunately, this worked against the Burmese democratic system, instead of supporting its growth.

The forays into a developmental state with free education and land reform were met head-on with greed and corruption. Those who had risen to power were not prepared to share their gains. The prominence and unity the Tatmadaw developed as being the first national institution of the new country originally established their reputation as the saviors of the country.⁴³ But the most devastating blow to the Union of Burma came in the assassination of in 1948 just before the new cabinet could meet.⁴⁴ This left a void which was unable to be filled by any other Burmese leader, especially one who could command respect from the multitude of different ethnicities and maintain support from the majority Burmese population.

On January 31, 1949, Karen rebels angry over the inability of the new Burmese government to define state boundaries for the Karen Union, turned against the Tatmadaw.⁴⁵ Other ethnic militaries would rise up to join the fights against the Burmese. Some rose in anger over the government's refusal to honor the Panglong agreement, while others simply struck back against the regime's vicious exploitation of their

³⁸ Fink, p. 24.

³⁹ Ibid.

⁴⁰ Fink, p. 32.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Johari, p. 31.

⁴⁴ Burma Primer, p. 6.

⁴⁵ Fink, p. 24.

people.⁴⁶ The Tatmadaw, as former members of the BDA and BIA, simply feared the armed ethnic militias around the country.

In 1958, Prime Minister U Nu turned to the military, and requested the Tatmadaw restore order to the country. General Ne Win, the senior general of the Tatmadaw took control of the Burmese government and maintained control until the national elections in 1960. In 1960, Prime Minister U Nu and a civilian government were restored to power. In 1962, General Ne Win led a coup d'état, and the military took total control of the government in Burma.

D. 1962 COUP D'ETAT – 1990 MULTI-PARTY ELECTIONS

On March 2, 1962, General Ne Win, Commanding General of the Tatmadaw, led a coup d'état which overthrew the democratically elected Burmese government. General Win immediately removed the constitution, dissolved civil society, and placed a Revolutionary Council (RC) in charge of the political economy.⁴⁷ The RC quickly adopted the “Burmese way to Socialism” and began to remove anyone in government who opposed the Tatmadaw.⁴⁸ In addition, 2000 members of the civilian government were replaced with military personnel. The press was nationalized and the freedom to interact with foreigners and move around the country was seriously curtailed.⁴⁹ In 1964, the Law to Protect National Solidarity was enacted, which made all political parties in the country illegal except for the Burma Socialist Programme Party (BSPP).⁵⁰

Between 1963 and 1965, all national banks, industries, and large shops were nationalized ruining hundreds of thousands of Chinese and Indian merchants.⁵¹ Consequently this prompted a mass emigration of the human capital which had been built

⁴⁶ Shan were struck by the Tatmadaw military and raided for materials under the auspices of “fighting Kuomintang (KMT) Nationalists hiding in The Shan State Region after the fall of the KMT Regime in China to the Communists.

⁴⁷ Fink, p. 32.

⁴⁸ Ibid.

⁴⁹ Johari, p. 53.

⁵⁰ Ibid.

⁵¹ Fink, p. 32.

up through the British colonial era. Within six years, the Burmese economy was in a shambles and the first steps toward a “black market economy” began.

This was not the only problem. The exportation of rice dropped from 1.8 million tons in 1963 to .3 million tons in 1968.⁵² The Cooperatives built by the military failed, all independent newspapers were absorbed by the government, and Chinese merchants became the sole source of economic goods. Though the military was becoming unpopular, General Ne Win was able to deflect the failings of the economy onto the black market merchants, who were primarily Chinese, and the resulting food riots of 1967 were directed against them.⁵³

The rise to power of General Ne Win prompted an immediate response from the ethnic minorities in the periphery of the country. Because they were immediately disenfranchised by the rise of the military, they declared autonomy in their regions. By 1961, other minorities were following the Karen’s lead by establishing their own military forces and the Shan and the Mon also began to develop forces to defend themselves against the Rangoon government.

On January 3, 1974, after General Ne Win had ruled Burma for twelve years, he established a new constitution and renamed the country as the Socialist Republic of the Union of Burma.⁵⁴ The constitution officially renamed the country and established the sole rule of the BSPP in Burma. In addition, a greater suppression of freedoms and civil liberties were enacted by the government. Worker strikes, student protests, and religious petitions from the Buddhist monks opposed to the military rule were all suppressed violently and cruelly.⁵⁵

Twenty-six years of economic mismanagement by General Ne Win’s “Burmese Way to Socialism” led the Burmese economy to collapse. The culmination of the Tatmadaw’s rule arrived with the August 8th, 1988 massacres of non-violent protestors against the military junta’s rule. The ever weakening economy in Burma finally crashed in 1987 and the kyat had lost all monetary value, eliminating the savings of millions of Burmese. As a result, there were food shortages throughout the country, and people were

⁵² Fink, p. 32.

⁵³ Ibid., p. 35.

⁵⁴ Johari, p. 58.

⁵⁵ Ibid.

starving. University students and Buddhist monks began to lead non-violent protests in the capital city of Rangoon calling for the reform and a regime change.

On the 8th of August, 1988, military forces were deployed to deal with the protestors; violence ensued, killing thousands of protestors.⁵⁶ Not surprisingly, the massacre attracted considerable international responses; however these actions did not dissuade the junta from continuing with its violent reprisals against the democratic protestors. On September 18th, the Burmese military junta deposed the Burmese Socialist Program Party (BSPP) and abolished the constitution.⁵⁷ The government was soon renamed the State Law and Order Restoration Council (SLORC). The army was dispatched to quell disorder, and an estimated additional 3000 protestors were killed.

The massacre inspired Suu Kyi, the daughter of , to make a speech against the military's rule in Burma, and emerged as the new leader of the democratic movement in Burma. She rose to the leadership of the National League for Democracy (NLD), and was quickly placed under arrest by the ruling military junta. To prevent an outright rebellion, the military announced a multi-party election to be held in 1990.

The first multi-party election coincided with the first cease-fires established between the various ethnic paramilitaries surrounding Burma. On May 27th, 1990, an election was held, and despite significant controls implemented against the NLD and other non-SLORC parties in the election, the results turned against the ruling military regime. The NLD won a landslide 389 out of the 485 parliamentary seats. Unfortunately the NLD would never take a single seat in parliament, and the bloodshed which intensified on the 8-8-88 massacres would only grow.⁵⁸

E. 1990 – 2001 CEASEFIRES AND THE RISE OF MYANMAR

Due to the poor results of the elections, a deterioration of international public opinion, and an economy in dire straits, a new direction was taken by the Junta. The fall of the Soviet Union and the end of the Cold War had left the Communist Party of Burma

⁵⁶ Vaclev, p. 2.

⁵⁷ Burma Primer, p. 6.

⁵⁸ Ibid.

(CPB) without direct support. The various ethnic paramilitaries whom had fought for their people on the side of the communists were now forced to find other means of support and survival. The small subsidy of illegal narcotics which had been used by both the communists, and the ethnic warlords, had increased to unprecedented levels.⁵⁹

International public opinion turned severely against the military Junta after the suppression of the election results. The Western world felt no reason to restrain their views on the human rights violations being practiced by the Junta. Without a Communist threat for the US to focus on, there was no restraint to focus on the human rights violations being perpetrated by the Myanmar regime. Also, Burma has risen to become the leading exporter of illicit opium and heroin in the world. This presented Burma with a unique situation of suddenly being under the “microscope” of international opinion, particularly from the Western powers.

The military Junta began to implement various delaying tactics to placate the international community while the government began to plan their next moves against the threats to their rule.⁶⁰ In order to inspire national identities with the former Burmese Empires, the State Law and Order Restoration Council (SLORC) changed the name of the country from Burma to Myanmar. In addition, all of the traditional spellings were restored, replacing the Westernized pronunciations.⁶¹

In 1997, the military Junta changed its name from the SLORC to the State Peace and Development Council (SPDC). This was essentially a public relations move as no significant change was made to the political institutions run by the new SPDC. In fact, four of the generals who maintained power in the SLORC became four of the nineteen council members in the SPDC. Most importantly, the leading General Than Swe rose to control the Tatmadaw, be a council member of the SPDC, and Prime Minister of the country.

The period of military rule following the 1990 elections in Burma, had been a period of promises and concessions to the international community, which were quickly

⁵⁹ This is when Burma rose to become the world’s largest producer of opium. A position it would hold until the fall of the Taliban regime in Afghanistan in 2001 would allow opium production to sky-rocket in that country.

⁶⁰ Fink, p. 70.

⁶¹ Burma became Myanmar, Rangoon became Yangon – Ibid.

broken and ignored. g Suu Kyi is still incarcerated, and her periods of release are usually short, followed by vicious violent reprisals to anyone who publicly supports her.⁶² Moreover, the period immediately following the election resulted in the signing of various cease-fire treaties with the regional insurgent militaries within Burma. Insurgent forces which had been fighting the Tatmadaw forces since 1962, like the United State Wa Army (UWSA) and the Myanmar National Democratic Alliance Army (MNDAA), entered into agreements which gave them autonomy in their territories in return for certain economic and defense alliance concessions.⁶³

In 1997, Burma joined the Association of South-East Asian Nations (ASEAN), a regional security cooperative with ten other member-states in mainland and maritime Southeast Asia. Despite the protests of Western governments, ASEAN worked to bring Burma and the illegal regime into the fold of the regional community.⁶⁴ They had hoped interaction would catalyze some change in the country.⁶⁵ However, this was far from the actual outcome.

Even among ASEAN members, issues continually degraded the Myanmar regime's relationship with the other member nation-states. From February through May 2001, border conflict between the Tatmadaw and the Thailand Third Army erupted with artillery barrages which were regularly fired between the two countries.⁶⁶ This marked the first time armed conflict arose between two ASEAN member-nations.

With the isolation from the majority of the international community, the Burmese leaders turned from their traditional relationships, and began increasing their mutual relations with China. Today, China accounts for the majority of all Foreign Direct Investment (FDI) and trade in Burma. China is not the sole investor, and like other allies of the US, such as Japan and France, many countries still interact with the Myanmar regime. This protection from China is not giving the Myanmar regime the enough security to remove their own xenophobia towards the rest of the international community though.

⁶² Fink, p. 80.

⁶³ Ibid.

⁶⁴ US and the UK leading the European Union (EU) in particular.

⁶⁵ Acharya.

⁶⁶ Chouvy "Drugs and War Destabilize Thai-Myanmar Border Region", www.geopium.com. 2002.

In the past few years, the Rangoon regime has moved its capital two hours to the North, in a “Scorched Earth” policy reminiscent of Hitler and the Nazi high command in the last days of World War II. The attempts to shift the capital North to Pyinmana, despite significant costs, logistics concerns, and loss of international credibility, gives weight to the bunker mentality which has developed among the regime in recent years. The current dynamic in and around Burma, within which the counter-narcotic and economic sanctions interact, must be explored before further analysis of their policies can be made.

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III. CURRENT MYANMAR

A. DOMESTIC

Domestic actors in Burma today include the Tatmadaw military regime, the National League for Democracy (NLD), insurgent military forces, and a general population which is distributed over 135 different nationalities. Each of these separate components must be analyzed before the whole dynamic of Burmese socio-politics can be understood.

1. Tatmadaw

a. Tatmadaw Collective Character

From its earliest beginnings, the Tatmadaw reign has been characterized by a powerful xenophobia. This fear of being removed from power has been the basis for most decisions made by the military junta since taking control in 1962. Great Britain, which annexed Burma completely into its empire in 1885 and placed the Burmese under Indian Colonial government rule, creating a powerful sense of paranoia concerning external influences threatening Burmese autonomy. This British domination influenced and cultivated the modern Burmese nationalism which eventually freed the country from external rule, but the paranoia's original source is much farther back in the country's history.

There is an extensive history of external threats to Burmese self-rule which stretches back beyond the days of British colonialism. In the past thousand years, Burma was invaded by Mongols, Chinese, Shan, and Siamese armies long before Western colonialism intruded into Southeast Asia. In truth, Burma has always been a crossroads country among great powers.⁶⁷

⁶⁷ The Siamese Kings became the Thailand Kings.

Andrew Selth describes Burma's centralization in his book Burma's Armed Forces: Power Without Glory:

[Burma] Is the place where South, Southeast and East Asia meet, and where the dominant cultures of these three sub-regions compete for influence. In Samuel Huntington's terms it lays across the fault lines between three major civilizations, those of the Hindus, Buddhists, and Confucians⁶⁸.

With its foray into self-rule during the beginning of the Cold War, Burma became a focal point for the rivalry between the US and the USSR, despite its proclaimed neutrality.⁶⁹ Even with the end of the Cold War, and the powerful effects of the US-led multilateral sanctions, Burma can still be characterized by its position between two regional strategic giants: India and China.

Burma shares a 1463 kilometer long border with India and a 2185 kilometer long border with China. Both of these countries possess nuclear power, large militaries, and have strong connections to numerous ethnic minorities within Burma.⁷⁰ With large mountain ranges preventing easy East to West travel, Burma's isolation in the central lowlands have shaped the character of the military junta's fear of outsiders. Since the majority of the outside influences which crossed these mountains were military invasions, Burmese leaders viewed any influence from across these ranges as a threat. For the last thousand years, Burma has been characterized by "wars, internecine conflict, and social upheaval" internally, which only further increases the fear of unknowns influencing events in the country. This psychological character is important in understanding the Tatmadaw's motivations.⁷¹

And yet, in spite of the regional powers which surround Burma, no country has invaded or threatened the regime directly with invasion since the country gained

⁶⁸ Selth, p. 3.

⁶⁹ Ibid.

⁷⁰ 60% of the Wa live in the Yunnan province in Burma.

⁷¹ Ibid, p. 7.

independence in 1948.⁷² Instead, the consistent threats faced by the Tatmadaw are internal: the numerous insurgent forces and the national democratic movement. The true threats to the Tatmadaw rule can be summarized by the country's current national objectives:

- The non-disintegration of the Union
- The non-disintegration of national solidarity
- The perpetuation of national sovereignty.⁷³

It is apparent that the Tatmadaw will do anything within its power to achieve these three national objectives. Since these objectives are survival-oriented, any action can be justified by the Tatmadaw as necessary for survival. The fear of internal threats now reinforces the Tatmadaw's fear of foreign intervention into their ongoing conflicts with these ethnic minorities within their territory.

The Tatmadaw lives in constant fear of an UN-led multilateral incursion into Burma, especially since popular support for the invasion would come from so many directions. Nations and ethnicities which are usually opposed to each other can find a common ground on the issue of human rights suppression in Burma⁷⁴.

The violation of human rights in Burma is not a new subject. The Commander of Saudi Arabian Forces during the 1991 invasion to liberate Kuwait, Prince Khaled Bin Sultan Bin Abdul Aziz, called for a UN intervention into Burma while visiting Bangladesh in 1992. In anger over the violent suppression of the Muslim Minority in Burma, the Prince stated that the UN should liberate the Rohingya, just like Kuwait.⁷⁵

Yet in spite of such powerful rhetoric, most countries prefer to preserve issues of sovereignty and non-interference. For example, Pakistan supported the State

⁷² The Chinese assaults against the KMT in the Shan State Region were with the permission of the Burmese Government. This also includes the Thai –Burma Border conflict and resulting remarks made by Prime Minister Thaksin during the 2003 Thailand War on Drugs. Those remarks were directed towards the Wa.

⁷³ Ibid, p. 30.

⁷⁴ Muslims, Indians, and Chinese have all been suppressed in Burma in the recent history.

⁷⁵ Selth, p. 41.

Law and Restoration Council's (SLORC) position in the suppression of the students during the 8-8-88 massacres in order to preserve economic relations with the regime.⁷⁶ Even Malaysia, a long-time critic of human rights abuses against the Muslim Rohingya in Burma, quieted their diplomatic censures after Foreign Direct Investment (FDI) opened in the country in 1997.⁷⁷

For the Tatmadaw, the most troubling international event in recent years must be the UN intervention into the Southeast Asian nation-state of Indonesia in support of the creation of the new country of East Timor.⁷⁸ Despite being a founding member of ASEAN, a founding member of the non-aligned movement during the Cold War, and a powerful proponent of non-interference, Indonesia agreed to a multilateral peace-keeping force to replace their position in their territory.

United Nations Forces East Timor (UNFET) included Australia, South Korea, Singapore, and Thailand.⁷⁹ ASEAN's doctrine of non-interference known as "Asian solutions for Asian problems" was superseded by an international condemnation of the human rights violations being perpetrated by the Indonesian government.⁸⁰ For the first time since the US presence in Vietnam, an international coalition of military forces was sent to an Asian country to maintain order and create a new nation-state from within the sovereign territory of another country. This worries the Tatmadaw leadership significantly.

The Tatmadaw's fear of foreign incursions into their internal affairs enables the regime's leadership to view their actions to prevent influence as vital to their survival.

⁷⁶ Ibid – This was believed to be a counter to India in the international arena, who came out in support of the NLD and the pro-democracy movement.

⁷⁷ Acharya, p. 112.

⁷⁸ Selth, p. 42.

⁷⁹ Acharya, p. 59.

⁸⁰ Ibid.

b. Tatmadaw Absolute Political and Economic Control

The military has absolute control over the country of Burma. The military regime has maintained this control since the 1962 coup d'état led by General Ne Win. Although leadership has changed during the more than forty years of rule, it has remained consolidated among a small cadre of military generals. From General Ne Win's period of rule to the current one under the control of General Than Swe, the power has not spread far beyond four or five generals. The State Peace and Development Council (SPDC) consists entirely of serving and retired military officers. Essentially, the state and the military are homogeneous.⁸¹

The government is largely staffed with retired Tatmadaw officers loyal to the SPDC.⁸² Very little power resides in the government's bureaucracy. The judicial system is under the control of the military as well, removing any hope for a fair trial, if a trial is even conducted.⁸³ The service portions of the government, whether education, energy, or health ministries, are all forced to comply with Tatmadaw's needs before any other.⁸⁴

The political party which represents the Tatmadaw is the National Union Party (NUP).⁸⁵ Although the NUP was the loser in the 1990 elections against the NLD, it is impossible to hold a government position in Rangoon today without being a member.

It is in the economy where the most important power-centralizing controls are maintained by the regime. The Tatmadaw has complete control over the economy, as well as the political institutions. The absolute control of the country's economy by the Tatmadaw is the main reason for the continually failing economy. The lack of independent market development, state controlled industries, and inconsistent economic vision have devastated the overall economy. These practices have created a system of

⁸¹ Burma Primer, p. 35.

⁸² Currently, there are 32 out of 38 ministerial-level positions are active duty or retired military - Vaclev, p. 7.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

corruption, failed infrastructure, and economic misalignment which prevents any profit from reaching individuals outside of the military architecture.

The Tatmadaw's control is currently centered in two companies: the Union of Myanmar Economic Holdings (UMEH) and the Myanmar Economic Corporation (MEC) who coordinate economic distribution through the country. Another organization, the Union Solidarity Development Association (USDA), which is controlled by the SPDC, is also involved heavily in the country's economy.⁸⁶ All of these organizations require NUP membership, as well as a Tatmadaw military background to become managing associates.

The UMEH, in a 1995-1996 report, summarized its purpose as "to support military personnel and their families" and "to try and become the main logistics and support organization for the military".⁸⁷ Only military members can be shareholders in UMEH.⁸⁸ The MEC's purpose is to funnel the expenses of the military over to the private sector and away from the public sector. This economic mismanagement would be enough to cripple the rule of the Tatmadaw, except for their control of another vital agency in the political economy.

Another important facet of the Tatmadaw's economic dictatorship is management of the Myanmar Investment Council (MIC), which controls all FDI in Burma.⁸⁹ Any resources coming into the country can be diverted by the junta in any fashion it wants. This ensures no economic banking decisions concerning the flow of FDI into the country are made outside of the SPDC's decision-making process.

The regime also possesses total control of the press in the country today.⁹⁰ The "New Light of Myanmar" is the country's main newspaper, which the

⁸⁶ Currently, there are 32 out of 38 ministerial-level positions are active duty or retired military - Vaclev, p. 7.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ Ibid, p. 11.

⁹⁰ Selth, p. 32.

regime uses to deliver its political rhetoric to the general population. With the ability to censure the press, SPDC can ensure that the newspaper only produces what the SPDC council wants it to publish.

Education is totally under the control of the Tatmadaw as well. Although Burma had one of the highest literacy rates in Asia in the 1940s and 1950s, it has degraded severely under the Tatmadaw's rule.⁹¹ For example, in 1999, only four percent of the total budget was spent on education.⁹² This suppression of education exists for three very important reasons: the ruling Generals distrust education since they are not very well educated themselves. The Generals fear that more education will result in more democratic protests, and the Generals do not want to waste military funds on education.⁹³

This preservation of order, within their own military structure and among the varied population, is the main reason for the regional structuring of their forces.

c. Tatmadaw Structure and Regional Distribution

The Country's political structure mirrors the military regional infrastructure.⁹⁴ There are fourteen different regional commands and twelve different regional political districts. There are constant re-shuffles of regional commanders, which seem to regularly occur with the intention of preventing commanders from establishing powerful connections in their areas of responsibilities.⁹⁵

Recently, the Tatmadaw established a separate layer in their chain of command known as the Bureau of Special Operations (BSO).⁹⁶ The BSO regional chief's authority extends to military, social, political, and economic control throughout

⁹¹ 1995 UNICEF reports on Children and Women in Myanmar estimate a 39% rate of literacy – it is also important to note that levels of illiteracy are much higher in the remote ethnic minority regions Fink, p. 174.

⁹² Referring to Win Thien's 'Learning in Limbo' in *The Irrawaddy* May 1999 - Fink, p. 174.

⁹³ Ibid.

⁹⁴ Burma Primer, p. 38.

⁹⁵ Ibid, p. 39.

⁹⁶ Ibid, p. 40.

their territory.⁹⁷ This is significant because it centralizes the chain of command to a “middle four” who answer directly to the SPDC Council.⁹⁸

The Tatmadaw also operates the only currently open and functioning university in the country: the Defense Services Academy at Pyin Oo Lwin.⁹⁹ The Defense Services Academy has increased its overall intake of students in 2000, raising the size of the graduating classes to 1500. With the elimination of all other university education in the country, this increase in military education reduces all options for advancement in Burma to the military.

Currently, the Tatmadaw numbers an estimated 400,000 soldiers, double the number of men the military possessed in 1988. There is also a 72,000 strong paramilitary police force.¹⁰⁰ And yet, this count does not include the number of military-trained Burmese personnel in the country at any time, which numbers around 12 million. The goal of the Tatmadaw is to reach the number of 500,000 soldiers.¹⁰¹ Although none of its neighbors in Southeast Asia has a comparable military, the Tatmadaw-controlled military is continually increasing. Burma now possesses the largest military in all of Southeast Asia.

d. Tatmadaw Leadership

The current Governmental Chief of Staff, Senior General Than Swe, is also the Chairman of the SPDC.¹⁰² He has held this position since April 23, 1992. In truth, he has held a position of great authority long before this date, as he was previously the Chairman of the SLORC from 1989 until the name change in 1992.¹⁰³ As head of the SPDC and the executive branch, all cabinet members report directly to him. As the

⁹⁷ Burma Primer, p. 38.

⁹⁸ Ibid.

⁹⁹ Burma Primer, p. 38.

¹⁰⁰ Burma Primer, p. 38.

¹⁰¹ Ibid.

¹⁰² Ibid, p. 20.

¹⁰³ Ibid.

Senior General, Than Swe has consolidated more power around him since 2003 with the sudden restructuring of the SPDC membership.¹⁰⁴

The current Prime Minister is General Soe Win, having replaced his predecessor Prime Minister Khin Nyut.¹⁰⁵ Prime Minister Soe Win's appointment to the position has been an important signal of the future intentions of the SPDC ruling council. As a leading member of the Tatmadaw, General Soe Win was a principle architect of the August and September 1988 Massacres.¹⁰⁶ General Soe Win is also considered the architect behind the 2003 assaults on Aung San Suu Kyi.¹⁰⁷ General Soe Win is best known for his statement that "the SPDC not only won't talk to the NLD, but also would never hand over power to the NLD".¹⁰⁸

2. National League for Democracy (NLD)

The National League for Democracy (NLD) is the premier opposition to the ruling Tatmadaw regime within the country. In the free elections held on May 27, 1990, the NLD won 398 out of the 485 seats in the one-house parliament. The ruling generals of the Tatmadaw ignored the results of the election, and imprisoned the leader of the NLD, Aung San Suu Kyi.

Aung San Suu Kyi is currently, despite her imprisonment, the Secretary General of the NLD.¹⁰⁹ In 1991, she was awarded the Nobel Peace Prize for her non-violent efforts to restore democracy to Burma. She has been imprisoned for the majority of her time in Burma since the election, and has been allowed out only on rare, controlled occasions.

¹⁰⁴ Burma Primer, p. 38.

¹⁰⁵ Ibid, p. 21 and www.cia.gov/world/factbook/Burma. Khin Nyut was recently sentenced to 44 years of hard labor by the SPDC in Burma for corruption on July 22, 2005. Speculation points to this being either a punishment for being too progressive in his relations with Aung San Suu Kyi and the NLD leadership or possibly a simple power play against him by Soe Win. His position as the former Director of Intelligence for the Tatmadaw may have made him too dangerous. The BSO system of military structure was adopted at the time of his removal.

¹⁰⁶ Downloaded from www.wikipedia.org on November 15, 2005.

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ Burma Primer, p. 23.

The NLD was fractured by the immediate repression brought about following the results of the 1990 election. Most of the winning parliament members were imprisoned without trial, their only crime being democratically elected instead of Tatmadaw-backed candidates.

In 2002, the Tatmadaw seemed to be finally compromising with the NLD. Aung San Suu Kyi was released from house arrest for the first time in thirteen years. She immediately began meeting with her NLD allies and touring the country to spread her political message. NLD offices were allowed to re-open, and the membership of the NLD began to rise again. After a full year of recruiting, democratic education, and centralization, the NLD began to grow to the size it maintained in 1990 during the elections. This was the time the SPDC decided to remove the NLD's power base, as well as the credibility of Aung San Suu Kyi, one last time.

In the spring of 2003, the Tatmadaw once again began a campaign of repression against the NLD.¹¹⁰ On May 30, 2003, a group of pro-military protestors attacked Suu Kyi's NLD convoy while she was traveling around the Sagaing Division. The Depayin Massacre has been linked to General Than Swe, the Military junta chief.¹¹¹ Dozens of NLD supporters were killed, and Aung San Suu Kyi, along with her deputy, former General Tin Oo, were returned to house arrest. The 485 member legislature has still not convened since its election in 1990.

Today, the NLD, despite being fractured by years of violence, imprisonment, and suppression, is still active in Burma. The Members of Committee Representing People's (CRPP) are an active group of NLD supporters who are trying to represent the elected members of parliament who were imprisoned by the military junta following the 1990 elections. Aung Shwe is the current Chairperson of the CRPP, and operates in the Rangoon region.¹¹²

The Depayin Massacre on 30 May 2003 was a severe blow to the NLD, causing the newly formed NLD to be struck a fatal blow¹¹³. NLD members were branded as causing insurrection, and the NLD infrastructure was shut down by the Tatmadaw in

¹¹⁰ Burma Primer, p. 23.

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ Vacleev.

much the same manner as the 8-8-88 massacres. Any NLD members who came out of hiding to campaign for democracy in the past year were tracked down the Tatmadaw and eliminated.

An important distinction which should be made about the NLD is that it is primarily a democratic political party for the Burmese. Although the NLD received considerable amount of support during the election from Burma's ethnic minorities in the voting, there is no real guarantee that the restoration of the NLD to power would "safeguard minority rights".¹¹⁴ According to Christina Fink, who studied Burmese life under the Tatmadaw in her book: Living Silence: Burma under Military Rule, the Burmese pro-democracy supporters are not particularly sympathetic to the ethnic nationalists' demands for autonomy, which they perceive as potentially leading to the break-up of the country.¹¹⁵ To this day, this distinction is one that the Tatmadaw makes in its dealings with the NLD and the ethnic insurgents, but one that international agencies and countries do not always make in their policy choices.

3. Ethnic Populations

There are 135 ethnic minorities in Burma today. Thirty-two percent of the total population in Burma is considered ethnic minorities.¹¹⁶

¹¹⁴ Fink, p. 13.

¹¹⁵ Ibid.

¹¹⁶ Current population estimates place the total population at 48-52 million. The lack of a census from the Burmese government in recent years is the reason for the estimates.

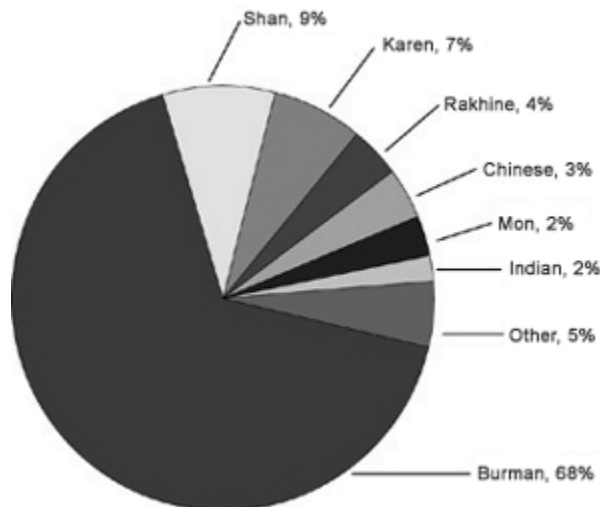


Figure 2. Burma's Ethnic Distribution

Although the human rights repression is severe against all of the minorities in the country, since this research focuses on the misalignment of US counter-narcotic policies by the Myanmar regime, this thesis will focus mainly on two specific ethnicities: the Shan and the Wa.

a. SHAN

The largest ethnic minority in Burma are the Shan. Approximately eight percent of the total population in Burma is Shan.¹¹⁷ The Northeastern region of Burma is the Shan State Region. The Shan Plateau region is also the territory of the only non-Burman ethnicity which also ruled the Burmese lowlands in the past thousand years.¹¹⁸

The Shan plateau was described by the British during their occupation of Burma, as a “fluid mosaic of petty princedoms” squeezed between the greater civilizations of Burma, Thailand, and China, yet maintained a cultural independence.¹¹⁹

¹¹⁷ www.cia.gov/worldfactbook/ - 9% of the Burmese population is Shan. This equals about 4 million per recent census surveys. The Karen is the second largest ethnic minority with approximately 7% of the population, or 3 million people.

¹¹⁸ Encyclopedia Britannica.

¹¹⁹ Cowell, p. 3.

The Shan's whole existence has been in the shadow of much greater powers and empires. "Under constant pressure from stronger neighbors, the Shans have perfected a chameleon-like process of adjustment to military and political power".¹²⁰ The Shan never cultivated opium for wealth and profit, but for subsistence and survival.¹²¹

The Shan continually tried to limit opium production, but their avenues of alternated production were less than ideal: Submission to Chinese communists, submission to the SLORC Burmese Way to Socialism, and a lack of human capital and natural resources outside of opium production made any attempts to develop independently a near impossibility. While facing constant invasions from the Tatmadaw forces, this meant the Shan had no avenue outside of the cultivation and trafficking of opium, to survive.

Currently the largest of the political entities representing the Shan is the Shan Nationalities League for Democracy (SNLD). This political entity is not able to speak for the full Shan nation, and many different factions have developed, fallen, and surrendered over the many years of warfare with the Myanmar regime.

Today the Shan are fractured and fighting for their survival under an onslaught of genocide and ethnic cleansing policies from the Tatmadaw. The Shan are also lacking in support from the Thailand government. The Shan refugees who have escaped to Thailand have been repatriated back to the Rangoon regime. Thailand also refuses to allow the Shan to set up refugee camps like the displaced Kachin and Karen from Burma.¹²²

b. Wa

The Wa are an ancient tribal hill people, numbering close to 1 million people. Approximately 400,000 Wa reside in the Northeastern Shan State in Burma, while the remaining 600,000 exist in the Yunnan province in China. The current leader of

¹²⁰ Cowell, p. 8.

¹²¹ Usually opium from the Shan State were grown for trade – food, goods, etc. – Cowell, p. 14.

¹²² Downloaded from www.shanland.org on January 23, 2006. Refugee research publications.

the Wa is Bao Yu-Xiang.¹²³ Although it is very difficult to attain direct information concerning Bao, it is maintained that he is the leading political leader for the United Wa Solidarity Party (UWSP), as well as the chief narcotics warlord in the Wa region of the Shan State.

The Wa have a history of changing sides for the sake of survival. Since the time of British Colonialism in Burma, the Wa have operated as Proxy warriors for the Allies during WWII, guerillas for the Chinese Communists, and independent soldiers for their own war for autonomy and liberation.¹²⁴ The Wa do this to survive in a treacherous region of the world, where they have been hunted and persecuted for their race for centuries.

The Wa live in a fractured existence. The Wa in the Shan region reside in Burma but use Chinese power, phone services, and postal codes. The lack of infrastructure support from the Myanmar regime has separated them from the majority of the outside world. When a recent Japanese author traveled to meet with Wa tribal leaders, he had to create new words to explain Japan, which he explained as the “Ocean Chinese”.¹²⁵ This isolation has provided the Wa with the convenience of easily shifting allegiance to whomever will support them next.

4. Ethnic Insurgencies

Since the earlier portions of this chapter focused on the Wa and Shan, the study of the ethnic paramilitaries will focus on the two main paramilitary forces of these ethnic groups.

a. Shan State Army (SSA)

The paramilitary arm of the ethnic Shan is the Shan State Army (SSA). The Mong Tai Army (MTA) was another of the paramilitary forces which operated on

¹²³ Jelsma, p. 4.

¹²⁴ UWSA Primer.

¹²⁵ Takano.

the behalf of the Shan population.¹²⁶ Unfortunately, even within specific ethnic groups in Burma, there is little cooperation between insurgent forces. This is mainly due to the tribal warlord nature of these forces which has resulted from the mountainous geography, as well as the exploitative nature of the narcotics trade itself.

The SSA signed a cease-fire with the Tatmadaw on September 2, 1989. The UWSA has been fighting a proxy war against the SSA, and other Shan insurgent forces. This conflict between these two insurgent forces is characteristic of the many ethnic paramilitary forces fighting for control of narcotics trade, territory, and autonomy in Northeastern Burma. With numerous ethnicities all fighting on their own in order to survive, many conflicts for resources have occurred over the past fifty years of conflict. The unique relationships of the military forces within the Wa are characteristic of the new relationships certain ethnic paramilitaries have developed with the Tatmadaw.

b. UWSA

The paramilitary arm of the ethnic Wa in Northeastern Burma is the United Wa State Army (UWSA). Currently the UWSA support their forces through illicit narcotics trade.¹²⁷ The UWSA is currently estimated to be about 15-20 thousand personnel strong. The current leader of the UWSA is Bao You-Xiang, who is also the leader of the political arm of the Wa, the UWSP.¹²⁸

The power of the UWSA is entirely centered in Bao.¹²⁹ According to statements made by various Wa refugees escaping from the relocations and starvations perpetrated by the UWSA:

He and his brothers and their cronies are the ones responsible for the opium growing and the production of methamphetamines. If he really wants to halt the drug business in the Wa region, he can do it easily through his own competence. He has

¹²⁶ The MTA surrendered in 1996 after being defeated by combined Tatmadaw and UWSA forces.

¹²⁷ UWSA Primer.

¹²⁸ UWSA Primer.

¹²⁹ Ibid.

the money, the intelligence, and ruthlessness acquired to accomplish the job. But up to now, he has used all these to keep power and money for himself.¹³⁰

This is a description very reminiscent of the Tatmadaw leadership in the SPDC. Bao has been expanding his legal wealth. Bao owns animal farms, factories, hotels, jewelry, mines, real estate, and even an airline. Bao is also a major investor in the Myanmar Mayflower Bank and Asia Wealth Bank.¹³¹

The other important leader in the UWSA, who controls the Southern Military Region of the UWSA, and the suspected Wa side of the architected cease-fires and illicit narcotics agreements with the Tatmadaw, is Wei Hseuh-Kang.¹³² Wei is a Chinese Wa, who escaped to Burma with the KMT. Wei's rise to power was based on his education, connections in China, and his ability to establish illegal trafficking connections with Western criminal organizations.¹³³ Wei was also a deputy of Khun Sa, the notorious Shan drug-lord of the MTA. It is believed that Wei's betrayal of Khun Sa was one of the causes of his downfall.¹³⁴

Wei was indicted in the United States in 1993 for the illegal trafficking of heroin.¹³⁵ The US Department of State has offered a two million dollar reward for his capture and Thailand has sentenced him to a death penalty for his crimes.¹³⁶ Although he has been threatened with arrest if he returns to any city in central Burma, he has been able to function with total autonomy in his control of the UWSA Special Brigade 171.¹³⁷

The UWSA's reputation as warriors dates back to ancient Burmese history. These ethnic nomads operated as headhunters and brigands, preying on the

¹³⁰ UWSA Primer.

¹³¹ Ibid.

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Downloaded from www.wikipedia.org on May 13., 2006.

¹³⁵ UWSA Primer.

¹³⁶ Ibid – the trial was conducted in absentia in Bangkok.

¹³⁷ Ibid – Special Brigade 171 numbers Fifteen Battalions.

numerous trading caravans moving between Burma and China. They even moved far enough out of the mountains to prey on the Indian caravans moving across the plains to trade with China also¹³⁸.

The UWSA honed their traditional reputation as guerilla fighters by operating as the “sword-arm” for the Communist Party of Burma (CPB) from 1968 until 1989. With the collapse of support to the CPB, the UWSA leadership took this opportunity to take over the Communists’ drug trafficking routes, and then expand them.

Once the cease-fires were signed with the Tatmadaw, the UWSA became the proxy military force used against the Shan’s paramilitary Mong Tai Army (MTA). The use of the UWSA by the Tatmadaw resulted in the 1996 surrender of the Khun Sa, the MTA leader.¹³⁹ The defeat of the MTA enabled the Wa, now aligned with the Myanmar regime, to take control of the Doi Lang Area in the Mong Yawn Valley.¹⁴⁰

According to Thailand, the UWSA are the most notorious drug-lords in Burma. It was the continually increasing flow of yaa baa methamphetamines from the UWSA which spurred Thailand’s 2003 “War on Drugs.” Thailand’s Prime Minister Thaksin spoke of further confrontations with the UWSA, stating that Thai troops "would shoot to kill...Their [Wa] drugs have gradually killed our children, so we won’t spare them".¹⁴¹

¹³⁸ Ibid. – Special Brigade 171 numbers Fifteen Battalions.

¹³⁹ Khun Sa was removed to Rangoon, and instead of being tried, seems to have been established as an unofficial advisor to the Tatmadaw on narcotics trafficking – Ibid.

¹⁴⁰ This is the vital territory which neighbors the Mae Ai district in Chang Mai, Thailand. This valley is one of the most ideal positions to transfer illegal narcotics into Thailand – UWSA Primer.

¹⁴¹ Marween, Macan – p. 1.



Figure 3. UWSA Soldiers traveling to war with Shan Forces

The UWSA immediately took over the opium-producing region, and its infrastructure, previously controlled by the MTA. This considerably weakened the Shan opposition to the Tatmadaw in Northeastern Burma. The UWSA now operates with impunity in their territory, which has become an autonomous economic zone within the Shan State, as well as the Union of Burma, where they engage in narcotics refining and trafficking un-interrupted.¹⁴²

Today the UWSA operate numerous opium and yaa baa refineries in the Northeastern region of Burma. Their alliance with the Tatmadaw makes them dangerous to regional security, but more importantly, a vital tool of the Tatmadaw's policies of continued ethnic cleansing.

B. INTERNATIONAL CONTEXT

In understanding the control the Myanmar regime possesses in the country, an analysis of non-governmental organizations (NGO), international non-governmental

¹⁴² Sherman, p. 239.

organizations (INGO), and other countries themselves, cannot be separated from a study of Burma itself. The United Nations, the Association of Southeast Asian Nations (ASEAN), and various humanitarian organizations' relationships within Burma, with the regime, and the various ethnic minorities and paramilitaries must be examined as well. Also, individual countries such as the United States, China, Thailand, France, and India are just as important to the decision-making process faced by Tatmadaw in its domestic policies.

1. Association of Southeast Asian Nations (ASEAN)

ASEAN was severely critiqued by the international community for offering membership to Burma in 1997. The international community, particularly the Western democratic powers of the United States and the European Union, consider Burma to be ruled by an illegal and repressive regime, and were opposed to the inclusion of the country into the regional security organization. ASEAN, as a regional economic and security organization, saw this as an opportunity to bring the Myanmar regime, and therefore Burma, back into the fold of reform without isolation.

One of ASEAN's defining doctrines is the policy of non-interference among their member nations. "In ASEAN's view, political repression in Myanmar could not be used to justify the exclusion of Myanmar, since such a move would constitute interference in its internal affairs."¹⁴³ This non-interference policy increased opposition from the Western powers since this would enable the Myanmar regime to perpetuate its rule by circumventing the economic sanctions placed on them by the US, UK, and other nation-states.

ASEAN member-nations focused on a policy of "constructive engagement" with Burma. ASEAN, as an organization of nation-states, wanted to avoid any actions against the military regime which would "embarrass and isolate them."¹⁴⁴ Burma has been able to block reform in its domestic politics, falling back on ASEAN's policies of non-interference as a defense. According to the Tatmadaw's foreign policy speakers:

¹⁴³ Acharya, p. 108.

¹⁴⁴ Ibid, p. 110.

“ASEAN would like to see Myanmar as an equal” and has consistently blocked any attempts to reform junta’s rule from outside of the region.¹⁴⁵

Constructive engagement continues to be an issue of contention between the Western powers and the nations of ASEAN. In 1991, during the Luxembourg agreements, the EU would come into conflict over their insistence that human rights and environmental concerns must be a part of every cooperative agreement between European countries and ASEAN nations.¹⁴⁶

ASEAN, of course, is worried about what it considers a greater threat than the aggravating of the West concerning human rights and the environment. The threat of Burma becoming a satellite to China worries ASEAN more than offending US-UK sensibilities.¹⁴⁷

Burma’s unpopularity among the ASEAN member nations is primarily caused by the actions the military regime against ethnic minorities. International protest has been made by numerous international humanitarian organizations concerning the level of abuses, and these atrocities not reflect on ASEAN’s image itself with Burma as a member state.

Overall, ASEAN’s inclusion of Burma was more to force the United States to realize that SE Asian countries were going to make their own decisions concerning security and international relations.¹⁴⁸ “Largely as a reaction against the perception that the West trying to bully and intrude in its internal affairs, ASEAN voted to admit Myanmar in 1997, as scheduled. The vote may have reinforced ASEAN’s independence, but it also severely damaged its international standing.”¹⁴⁹

In 2003, ASEAN urged Burma to release Daw Suu Kyi, an unprecedented foray into the domestic politics of a member nation.¹⁵⁰ Pressure from the international community concerning Burma, including statements from the UN Secretary General Kofi Annan, began to accelerate worries about the image of ASEAN.

¹⁴⁵ Narine, p. 115.

¹⁴⁶ Acharya, p. 110.

¹⁴⁷ Selth, p. 17.

¹⁴⁸ Narine, p 114.

¹⁴⁹ Ibid, p 116.

¹⁵⁰ Vacle, p. 36.

In 2006, when Burma was eligible to take the position of chairman of ASEAN, this international pressure culminated in Burma “opting out to focus on the national reconciliation and democratization.”¹⁵¹ This occurred after considerable pressure from other member nations to decline the seat.¹⁵² The ASEAN inter-parliamentary Myanmar Caucus (AIPMC) was developed in order to deal with the issue of the Myanmar regime taking the chairmanship position, but has now developed into a regular part of the ASEAN foreign ministry infrastructure.

While the alarming prospect of Burma taking the chairmanship has passed, the solution to ASEAN’s Burma problem is no clearer than before. As stated by the Singapore Minister Mentor Lee Kuan Yew, “Burma cannot stay frozen in time forever. To stay frozen in time means they are building up problems for themselves and those problems will overflow into ASEAN”.¹⁵³ ASEAN, through the AIPMC, has petitioned the UNSC to intervene, an unprecedented action for this regionally focused security organization.

2. United Nations Security Council

The United Nations Security Council was recently petitioned by the Honorable Václav Havel, the former President of the Czech Republic, and Bishop Desmond Tutu, Archbishop Emeritus of Cape Town & Nobel Peace Prize Laureate (1984) on September 20, 2005. The combined document produced petitions the UN Security Council to vote a resolution in accordance with its authority under Chapter VII of the UN Charter in Article 41.¹⁵⁴

Since 1990, there have been seven UN Security Council votes on whether or not to intervene into the sovereignty of a UN member nation-state.¹⁵⁵ There are six factors which have been used to determine the need for an engagement or intervention; these six factors are as follows:

¹⁵¹ Václav, p. 37.

¹⁵² Philippines, Singapore, Indonesia, and Malaysia all pressured Burma to decline the seat.

¹⁵³ Václav, p. 38.

¹⁵⁴ Václav, Introduction

¹⁵⁵ Václav, Introduction

Overthrow of Democratic Government
Conflict among Factions
Human Rights Violations
Refugee Outflows
Other (Drug Trafficking)
Other (HIV/AIDS)

These six factors have become the UN's guideline for deciding on humanitarian interventions into sovereign nation-states. In the most extreme cases, four of these factors were present.¹⁵⁶ In Burma, all six of these factors are present.

Still, the possibility of a UN Security Council vote is remote. A Security Council vote can be countered by a single member of the Security Council.¹⁵⁷ Burma has an extremely close relationship with China, who holds a permanent seat on the Security Council. A China veto will prevent intervention into a country which has become an important satellite nation in the Chinese sphere of influence.

The United Nations has been trying to engage the Burmese military regime in any discourse at all regarding social, political, and economic change in the country.¹⁵⁸ The Secretary-General's office, UN General Assembly, UN commission on Human rights, Committee on Torture, Committee on the Elimination of all Forms of Discrimination against Women, Working Group on Arbitrary Detention, and the Economic Social Council have all tried to achieve some form of progress in Burma.¹⁵⁹

It is important to note that the sudden shift of the Rangoon capital two hours north coincided with the increased pressure from the international community on the UNSC concerning intervention in Burma. The UNSC now also has a petition from the AIPMC and ASEAN as well, requesting intervention from the international community concerning the Myanmar regime.¹⁶⁰

¹⁵⁶ Sierra Leone SC1132 vote in 1997 & Afghanistan SC 1076 in 1996

¹⁵⁷ Nahory

¹⁵⁸ Vaclev, p. 34

¹⁵⁹ Ibid.

¹⁶⁰ www.aipmc.org - In April 2006, AIPMC submitted a petition supporting the Vaclev/Tutu September 2005 petition to the UN Security Council, and requesting some form of multilateral action to be taken concerning the Myanmar regime.

3. Countries

Certain nation-states require a more serious individual analysis of their relationships with Burma. More specifically, these countries' relationships with Burma, its ethnic minorities, its ruling junta, the trafficking of its narcotics, and most importantly, how they relate to the two sides of its economy: Shadow and Overt, are a vital component of the Burmese jigsaw which much be deciphered before a plan is put into action.

a. Thailand

Thailand is one of the most important countries to understand in the context of relationships with Burma. Thailand's Western border is shared with Burma.¹⁶¹ This border is mountainous, forested, and possesses very few roads. In ancient times, the empires and dynasties of Burma and Siam fought wars, yet also co-existed in numerous periods of peace.¹⁶² These countries' shared modern history has been shaped by a peace which has been progressively weakened by the Tatmadaw's domestic problems spreading across the Thailand border on a regular basis.¹⁶³

Thailand has been consistent in its desire to maintain an economic relationship with Burma in spite of its human rights records and its growing illegal narcotics trade. Thailand was the first country to send a delegate to the illegal military junta following their suppression of the NLD after the 1990 election.¹⁶⁴ The economic and security relationship which followed was mutually beneficial to the Tatmadaw and Thailand. The Tatmadaw was given latitude to cross their mutual border with Thailand in order to eliminate Karen and Mon guerillas.¹⁶⁵ In return, the ban on the Thai logging companies operating in Burma was lifted. Also, Thailand Fisheries were given the freedom to operate in the Burmese portions of the Andaman Sea. This mutually

¹⁶¹ 1800 Kilometers.

¹⁶² Referring to Thailand's previous country name: The Kingdom of Siam.

¹⁶³ Flows of illegal narcotics – yaa baa and heroin, refugees crossing to escape the human rights atrocities, Tatmadaw military incursions to fight ethnic minority insurgent forces like the SSA.

¹⁶⁴ Acharya, p. 109.

¹⁶⁵ Acharya, p. 109.

beneficial relationship would even empower Thailand to oppose Western pressure from the US and the EU to place economic sanctions on Burma.

Due to the issue of illicit narcotics crossing the border from Burma into Thailand, the two countries' relations have soured in recent years. In 2000, the head of the Thailand National Security Council identified drug trafficking as a serious threat to the country's national security.¹⁶⁶ The usage of the methamphetamine "yaa baa" has increased exponentially in the Thailand. There were one million yaa baa addicts in Thailand at the commencement of Thailand's 2003 "War in Drugs."¹⁶⁷

In 2003, Thailand's Prime Minister Thaksin pledged to do "whatever possible to facilitate Burmese national reconciliation and a return to democracy."¹⁶⁸ At the same time though, Thaksin also pledged to direct a considerable amount of the country's effort towards removing the yaa baa methamphetamine problem which has spread throughout Thailand. This action resulted in an outright four month conflict along the Burma-Thai border from February to June 2006.

b. China

China is the most significant country concerning the survivability of the military junta. China's Yunnan province borders Burma.¹⁶⁹ China is the largest investor of DI into Burma today, with the majority of the investments going directly into the UMEH, and therefore the Tatmadaw. This does not mean China is oblivious to Burma's lack of control within its own territorial borders. China though, much like Thailand, borders the Shan State Region, and is susceptible to the flow of opium and methamphetamines across its border.

Ethnic minorities like the Wa exist in China as well as Burma, in the Shan State.¹⁷⁰ 600,000 of the one million Wa reside in the Yunnan province in China. Many

¹⁶⁶ Chouvy, Pierre-Arnoud, p. 1.

¹⁶⁷ Chouvy, Pierre-Arnoud – The Yaa Baa Phenomenon in Mainland Southeast Asia article.

¹⁶⁸ Vaclev, p. 36.

¹⁶⁹ 2185 kilometers in length - BURMA Primer, p. 18.

¹⁷⁰ UWSA Primer.

portions of the Wa population who live in Burma actually rely on the Chinese infrastructure as opposed to the Burmese ones.¹⁷¹ This means an increased need for Chinese support across the border, but from the perspective of China, who desires greater influence in Burma to counter India's influence; this is not as bad thing. Instead, it is further influence China can guarantee with minimal effort on their part overtly.

Burma has been characterized as a “pawn” of China. China's FDI is the largest from of financial support available to the Tatmadaw's shadow economy support of its growing military. Still, the Myanmar regime is comfortable with this situation due to increased isolation Rangoon feels concerning the “growing pressure from ASEAN nations and the international community.”¹⁷² The more ASEAN countries pressure the Myanmar regime to free Daw Sung Kyi, and re-enact constitutional legislation, the more the regime moves into a closer relationship with China.

China's own massive economic growth has caused an unprecedented thirst for oil in order to maintain their progress. The natural resources within Burma, the potential security gained by having an ally on its borders, and the stemming of the flow of drugs into their country are all important facets of the Chinese plans for Burma.

China is also a country with strategic intentions for the future. With Burma as its ally, each with compatible military technologies, China is able to collect intelligence from the Andaman Sea, and maintain bases for the PLA Navy.¹⁷³ Burma now has 23 intelligence collection companies in the Tatmadaw, compared with less than 10 in 1988.¹⁷⁴ These intelligence stations have gained a Chinese presence all the way down to the coastal Andaman Sea, giving China influence into both sides of Straits of Malacca.¹⁷⁵

¹⁷¹ Power, water, health care, phone codes, drivers licenses.

¹⁷² China's Uneasy Alliance with Myanmar - Jagan, p. 2.

¹⁷³ Selth, p. 19.

¹⁷⁴ Burma Primer, p. 43.

¹⁷⁵ China's issues with ASEAN nations concerning the Spratly islands relate to natural resources, strategic placement along the economic infrastructure of the Pacific Rim sea-lanes, and strategic military positioning. The Starits of Malacca are a vital cornerstone of economic transportation: 50,000 ships a day pass tough there, as well as 98% of Eastern Asia's oil.

Burma also sees China as vital for their long-term strategic interests. Burma fears a multilateral UN intervention like the one which occurred against Indonesia and created the nation-state of East Timor.¹⁷⁶ The Rangoon regime is seen as a ruling council which will pay any price to remain independent, and with increased isolation from the West, China is an important option for their survival.¹⁷⁷

The Chinese support of the Tatmadaw's modernization creates a significant security buffer against India. According to a 2001 intelligence report on Burma's military:

The substantial growth in armor and artillery strength is linked to the delivery of Chinese equipment which began in mid-1990. As of early 2003, there are 10 armored battalions (five with tanks and five with armored vehicles), compared with only two battalions in 1988, while the number of artillery units (including those armed with heavy mortars and recoilless guns) has risen to 43 battalions (in addition to 37 independent artillery companies attached to regional commands). Anti-aircraft strength has increased from one to seven artillery battalions in the same 10 year period.¹⁷⁸

With the absence of Western aid into the country, China is the leading donor to Burma, funding military and infrastructure projects.

The comparable worldviews held by both the Burmese and Chinese regimes enable their relationship to survive. Both maintain a pragmatic view of the Western world, and are able to come to agreement despite differences in history and ideology.¹⁷⁹

c. India

India must be considered in any analysis of Burma. Throughout the Cold War, India was a severe critic of the military regime and maintained a very hard line

¹⁷⁶ Selth, p 19.

¹⁷⁷ Ibid.

¹⁷⁸ Burma Primer, p. 43.

¹⁷⁹ Seekins, p. 531.

against the military regime in Rangoon.¹⁸⁰ India has re-assessed its view of Burma's military regime as its relationship grew more

India possesses a strong fear of China's strategic orientation towards Burma, and its ports on the Andaman Sea. India, which has been the sole regional power in the Indian Ocean, now sees a Chinese presence extending down through Burma into their maritime territories.

In recent meetings in Burma, India has removed the restoration of Suu Kyi or the NLD to their diplomatic pressures for reform on the Rangoon regime.¹⁸¹ This has shifted India's traditional pro-democracy stance toward the Myanmar Regime.¹⁸²

As stated by the APSS,

India needs to ponder whether the bizarre spectacle of the world's largest democracy courting one of world's largest repressive regimes propped up by the world's largest authoritarian state is in the long-term interests of its national security.¹⁸³

India, much like China, faces the difficult decision of trading off international credibility by increasing their focus on strategic interests.

d. FDI Countries

Various countries need to be studied in order to see the varied levels of FDI and relationships exist between other nation-states in the international arena. While some countries, like the majority of the ASEAN nation-states, focus of preventing a greater Chinese influence into Burma, others are simply motivated by greed. Cheap labors, lack of human rights influence in their governments, and desire for economic parity with other countries are only some of their motivations.

¹⁸⁰ Selth, p. 17.

¹⁸¹ Vaclev, p. 38.

¹⁸² This is a stance which has coincided with their stance on the protection of various Hindu ethnic minorities being exploited in Burma today. Another stance they have backed away from in order to cultivate a better relationship in order to stem the flow of Chinese influence.

¹⁸³ APSS.

Japan, much like other Asian countries, is worried about the direction the West's isolation of Burma will take its military regime. In the opinion of the Japanese leadership, the situation is driving Rangoon directly into the welcoming arms of China.¹⁸⁴ Japan has chosen to maintain its relationship with Burma, stating that "we have no plans to restrict Japanese business activities in Burma. Democracy is not the only standard in deciding our relationship with a country."¹⁸⁵

France, despite being an EU country, has not joined the majority of the European Union in their multilateral sanctions being levied against Burma. Instead, France's Standard Oil is one of the significant investors in the infrastructure of Burma. France is also a member of the UN Security Council, and therefore able to veto resolutions concerning any future interventions into Burma. With such invested interest in the resources within Burma, it's no surprise that France already vetoed the European Union's application of sanctions against the Myanmar regime.¹⁸⁶

The main reason for the constant block of changes in international policies by the French Government, and the European Union (EU) as well, towards Burma is the French oil giant TOTAL, which has been investing considerably into pipelines in Burma. French President Jacques Chirac was fully supportive of Burma's addition to ASEAN in 1997, hoping to gain the advantage of the countries' liberalization of FDI.¹⁸⁷

The Yadana Gas Project, which is funded by TOTAL oil, is one of several large-scale projects reported for human rights abuses. Forced labor of minority refugees has enabled the project to move forward while lining the pockets of the SPDC's members¹⁸⁸.

Malaysia, one of the founding members of ASEAN, has many companies which invest in Burma today. Petronas, the national oil company of Malaysia, has invested heavily in natural gas pipelines in Burma. As one of the leading countries

¹⁸⁴ Selth, p. 18.

¹⁸⁵ Schuman.

¹⁸⁶ Burma UK campaign – "Burmese exiles protest over France's Collaboration with Dictatorship" – July 13, 2005.

¹⁸⁷ Ibid.

¹⁸⁸ Downloaded from www.aseanmp.org on April 14, 2006.

arguing for non-interference, Malaysia has been reaping the benefits of conducting business with Burma while turning a blind eye to the military junta's human rights violations.

Before Burma had opened itself to FDI, Malaysia was extremely critical of Rangoon's suppression of the Rohingya, a Muslim minority in the country¹⁸⁹. Although Malaysia has maintained a strong economic relationship with the Myanmar regime, many Malaysian foreign ministers have established very vocal criticisms of the government through their positions in AIPMC.¹⁹⁰

4. Non-Governmental Organizations (NGO)

The importance of NGOs for the situation in Burma cannot be discounted. Numerous respected NGOs have produced important reports concerning the human rights atrocities perpetrated by the illegal Myanmar regime. Many of these reports have been based on information collected from refugees crossing into Thailand, Bangladesh, Laos, and India.¹⁹¹

Amnesty International has been continually documenting the histories of the refugees fleeing the Tatmadaw military's rule in Burma, conducting interviews to increase the case against the regime for its human rights atrocities.¹⁹² As the international watch-dog organization for human rights abuses, Amnesty International has focused a great deal of effort on investigating human rights atrocities in Burma.

The United Nations has various reporting agencies tracking the situation in Burma. The UNODC will specifically be analyzed in the next few chapters, but they are far from the only UN agency with specific interests in Burma.

The United Nations Development Program (UNDP) contributes support due to the status of Burma as a LDC, which also places them on the agency support of the United

¹⁸⁹ Narine, p. 114.

¹⁹⁰ Downloaded from www.aseanmp.org on April 14, 2006.

¹⁹¹ Ibid.

¹⁹² Downloaded from www.amnesty.org on April 14, 2006.

Nations High Representative of Least Developed Countries (UNHRLDP).¹⁹³ A list of further international organizations which give aid, education, or support to Burma in some manner or another are:

UNICEF – United Children’s Fund

UNAIDS – United Nations AIDS/HIV program

UNHCR - United Nations Refugee Agency

WHO – World Health Organization

WFP – World Food Program

FAO – UN Food and Agriculture Organization

The multilateral sanctions led by the US and UK has influenced several important international financial institutions in their dealings with the Myanmar regime. The IMF, the World Bank, and the Asian Development Bank have all suspended any financial assistance to Burma. This suspension began immediately following the military’s 1988 massacres of student democratic protestors.¹⁹⁴

The maintenance of humanitarian good-will in Burma is important to note, because, as much as the lack of coordinated efforts between US policies, these organizations’ efforts have helped maintain the illegal Myanmar regime’s grip on power in Burma.

C. SUMMARY

The complexity of enacting successful counter-narcotics policies in Burma are exacerbated by the numerous international and national actors which must be considered prior to policy implementation. With an understanding of how complex these relationships are, a further understanding of the narcotics trade in Burma itself can be further analyzed.

¹⁹³ United Nations Myanmar Country Survey – Downloaded from www.un.org on April 14, 2006.

¹⁹⁴ Amnesty International Myanmar: Leaving Home – p. 3.

IV. PATTERNS OF ILLICT NARCOTICS PRODUCTION AND TRANSPORTATION

The specific parameters of the cultivation, production, and transportation of opium and methamphetamines from Northeastern Burma are vital to the understanding of how the Myanmar regime manipulates the US counter-narcotic policies. The Golden Triangle region, in which the Shan State Region of Burma resides, has a specific climate, which establishes specific parameters which the US attempts to remove through a triumvirate of policies: Interdiction, eradication, and education.

A. THE GOLDEN TRIANGLE

The Golden Triangle is a mountainous region in mainland Southeast Asia. It is a largely impassable territory of 350,000 square kilometers that includes four separate countries: Burma, Laos, Thailand, and China. The Golden Triangle has been Southeast Asia's most important illicit drug producing region, and one of the world's largest drug producing regions since the 1950s.

The Golden Triangle is a confluence for the Mae Sai and Mekong Rivers, making it an ideal area for opium farming and heroin production. The climate, soil, elevation, and humidity combines to create an ideal location for the cultivation of *Papaver somniferum*¹⁹⁵, the sole poppy which produces opium. Because of the confluence of these rivers, it is also an ideal location for transporting the drugs to other locations for trafficking.

The development of opium in this region still has a relatively recent history, only developing with the Southern movement of Chinese opium farmers from the Yunnan province in the 18th century.¹⁹⁶

When the British Empire controlled Burma, they encouraged an increase in the cultivation of heroin opium in order to facilitate further trade with China. Prior to this, opium production was centered in India, and the British East India Company funneled the

¹⁹⁵ Greek for "sleep inducing poppy."

¹⁹⁶ Chouvy – Golden Triangle article.

opium into Southeast Asian and Chinese clients. The ready-made market created by the suppression of the drug trade within China created an ideal product to gain inroads into China.¹⁹⁷

Opium use had already developed inside of China, in the Yunnan Province. The Qing repeatedly attempted to remove the trade from the country, and their assaults on opium storehouses had resulted in significant reduction, but only resulted in an emboldening of the British in their usage of the illicit opium trafficking to force their influence upon the Chinese Emperors.

At its peak in the mid 1880's, opium was one of the most valuable commodities moving in international trade. Each year, export opium leaving Calcutta and Bombay averaged over 90,000 chests containing more than 5,400 metric tons. This staggering amount would meet the annual needs of between 13 and 14 million opium consumers in China and Southeast Asia who smoked opium on a daily basis-and many more if less intense use were assumed. Each year, opium revenues poured 93.5 million rupees (9.4 million pounds sterling) into Government of India coffers-approximately 16% of total official revenues.¹⁹⁸

The British, in an attempt to cultivate the Shan, and the other cultures along the Silk Road, extended the practice of opium growing in order to reduce the risk of banditry to caravans, along with reducing transportation costs. This founded the modern opium trade practices which the Shan, and other ethnicities in the Shan State Region.

1. Opium

The cultivation and production of the opium poppy must be understood in order to see the cultural effect it has upon a region. More importantly, the effect the cultivation has upon the economy which grows the opium must be studied as well. This will highlight the need of the Tatmadaw to preserve the drug trade among certain minority armies in order to gain the economic benefits of the illegal trade.

¹⁹⁷ John Richard.

¹⁹⁸ Ibid.



Figure 4. Opium Poppies growing in Burma in the Shan State Region

Currently, Burma is the world's second largest producer of opium.¹⁹⁹ Until the re-insurgence of opium trade in Afghanistan which coincided with the fall of Taliban to US-led Coalition forces in the close of 2001, Burma was the leading producer of opium in the world. Recent estimates have placed 80-90 percent of the heroin production in Burma to be in the Shan State Region, the Northeastern part of the country which falls within the Golden Triangle.²⁰⁰

¹⁹⁹ In this chapter, UNODC, INCSR, and US DOJ/ DEA figures will be used since they are the ones counter-drug policies are based on – In a later designated chapter, other figures will be used to present differences.

²⁰⁰ Burma Primer.

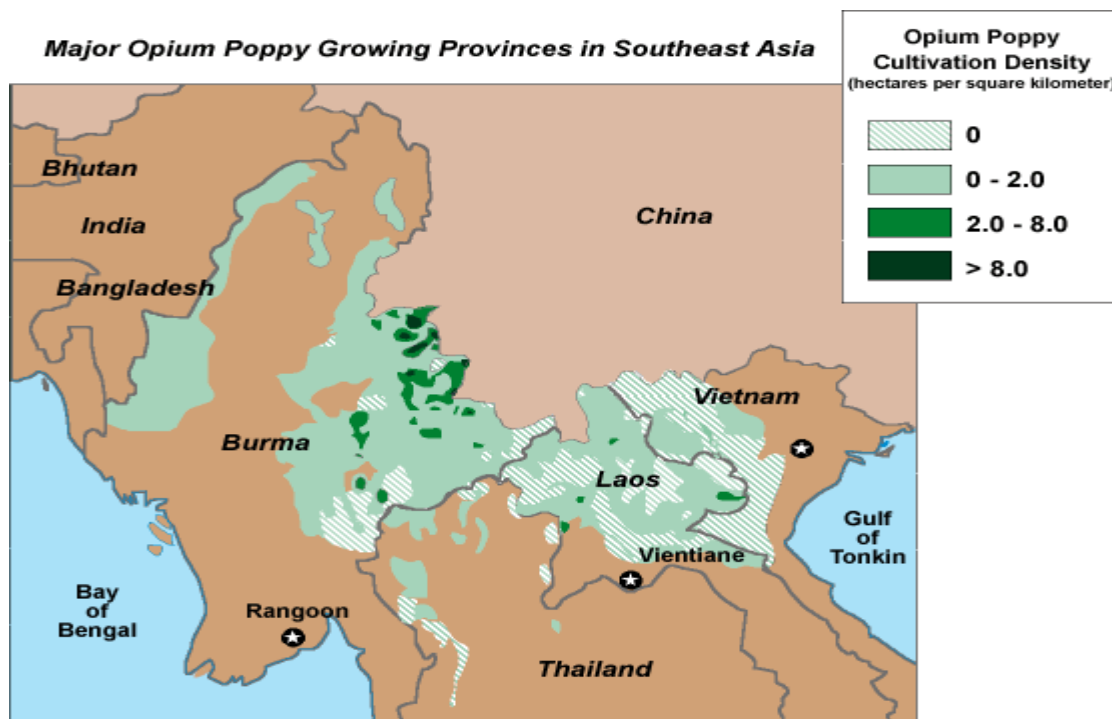


Figure 5. Major Opium Poppy Growing Provinces in Southeast Asia

The farming of opium is usually done in a “slash and burn” style, where seasonal opium growth marks a turnover of farms.²⁰¹ The highlands of the Shan State, where elevations of 700 to 2000 meters combine with 17 to 24 degree Celsius climates, are ideal for the growth of the poppy. Combining with sunflowers, Chinese bean, mustard, fababean, onions, and other annual crops, soil fertility as well as camouflage is achieved.²⁰²

Even during the dry season, the lands in which opium poppies are grown require extensive work. Fertilizer additions have recently been made to the opium poppy growth in the Shan State Region, but most areas are still operating without fertilizer chemicals. Also, traditional pre-motor technology is still practiced in most of the Golden Triangle.²⁰³ This presents many opportunities for the drug producers in the region to utilize forced labor collected from the ongoing conflict between the Shan and Wa.

²⁰¹ September through February in the Shan State and Northern Wa regions – UNODC Myanmar Opium Survey, p. 18.

²⁰² Ibid.

²⁰³ Hoes, rake, hand-weeding.

The six months in which the opium poppy is grown requires a lot of care. The first two months growth requires the poppies to be constantly protected. Trampling by animals, insects, and destruction by opposing drug armies require the poppy farms to be constantly protected.²⁰⁴

With the lack of vehicle, the transport of the transferred opium gum is usually done by mule and horse caravans over rugged and nearly impassable mountains to remote refineries. There, the opium is processed from poppy to morphine gum paste, and then into heroin.

The production of heroin from opium is a difficult process and requires a significant amount of skill:



Figure 6. Opium to Morphine to Heroin Production Progression

The following is a step-by-step description of morphine extraction in a typical Mainland Southeast Asian laboratory:

An empty 55-gallon oil drum is placed on bricks about a foot above the ground and a fire is built under the drum. Thirty gallons of water are added to the drum and brought to a boil. Ten to 15 kilograms of raw opium are added to the boiling water.

With stirring, the raw opium eventually dissolves in the boiling water, while soil, leaves, twigs, and other non-soluble materials float in the solution. Most of these materials are scooped out of the clear, dark brown “liquid opium” solution.

Slaked lime (calcium hydroxide) or, more often, a readily available chemical fertilizer with a high content of lime, is added to the solution. Lime will convert water- insoluble morphine alkaloid into water-soluble calcium morphenate. (Other opium alkaloids do not react with lime to form water-soluble calcium salts,

²⁰⁴ Opium Survey, p. 18.

as does morphine.) Codeine is an opium alkaloid that is slightly water-soluble and some codeine will be carried over with the calcium morphenate in the liquid. Otherwise, for the most part, the other alkaloids will become a part of the “sludge.”

As the solution cools, the morphine solution is scooped from the drum and poured through a filter. Cloth rice sacks are often used as filters and can then be squeezed in a press to remove most of the solution from the wet sacks. Liquid saponated cresol (“lysol”) is commonly added to the solution to facilitate filtering. The morphine-rich solution is then poured into large cooking pots and reheated but, this time, not boiled.

Ammonium chloride (a powder) is added to the heated calcium morphenate solution to adjust the alkalinity to a pH of 8 to 9, and the solution is then allowed to cool. Within 1 or 2 hours, morphine base precipitates (“crashes”) out of the solution and settles to the bottom of the cooking pot.

The solution is then poured off through cloth filters. Any solid morphine base chunks in the solution will remain on the cloth. The morphine base is removed from both the cooking pot and from the filter cloths, wrapped and squeezed in cloth, and then dried in the sun. When dry, the crude morphine base is a coffee-colored coarse powder. This form of morphine is commonly known by the Chinese term *pi-tzu* in Mainland Southeast Asia.

If morphine base is to be stored or transported to another location, it may be pressed into blocks. Crude morphine base is generally 50 percent to 70 percent morphine, and is an intermediate product in the heroin process. (This morphine base is generally not used by addicts.)

This crude morphine base may be further purified (and changed to morphine hydrochloride) by dissolution in hot water and hydrochloric acid, then adding activated charcoal, reheating, and filtering. The solution is filtered several times before being allowed to cool. As the solution cools, morphine hydrochloride precipitates out of the solution and settles to the bottom. The precipitate is trapped (or “captured”) by filtration.

If the morphine hydrochloride is to be stored or transported to another location, it may be pressed into bricks. Morphine hydrochloride (often tainted with codeine hydrochloride) is usually pressed into brick-sized blocks in a press and wrapped in paper or cloth. The most common block size is 2 inches by 4 inches by 5 inches, and weighs about 3 pounds (1.3 kilograms). It takes a full day to extract morphine from opium.²⁰⁵

²⁰⁵ Jones.

Because of the specific skills required in changing the opium poppies into the morphine base, heroin “cooks” or chemists are highly in-demand personnel who make much more money than the opium farmers which cultivate the poppy.²⁰⁶ This is also because the heroin production process requires a large amount of volatile chemicals, which are prone to explosions during the production process.

One of the key areas DEA agents have been focusing on is the production areas of heroin.²⁰⁷ Precursor chemicals are vital to the production of some drugs; particularly heroin.²⁰⁸ The regulation of these chemicals is entirely dependent on the enforcement and tracking abilities of the country’s law enforcement organizations. The ability to track the majority of these chemicals would seem to be within the control of the Tatmadaw, since the regime controls all of the legal economy in Burma. In truth, there has been a long history of approval from the Rangoon regime in the trafficking of drugs. This approval has grown in recent years with the high profit production of methamphetamines growing to replace the politically dangerous production of opium.

2. Methamphetamines

The Golden Triangle is not only abundant in opium poppies used in heroin production, but also in *Ephedra Vulgairs*. The *Ephedra Vulgaris* is a shrub-like plant, typically found growing wild in Northern China, which contains ephedrine, the main precursor for methamphetamines. These local varieties of ephedra are notoriously more potent than those found in other areas around the world.²⁰⁹

Methamphetamines are stimulants, but due to the added sulfates from the *Ephedra Vulgaris* plant, they have stronger primary and secondary side-effects than other amphetamines. The hypo-chloride methamphetamines produced from the Golden Triangle region cause severe paranoia, schizophrenia, and extreme aggressiveness. This

²⁰⁶ UWSA Primer.

²⁰⁷ INCSR, p. 15.

²⁰⁸ Potassium permanganate for Cocaine and Acetic Anhydride for Heroin.

²⁰⁹ Jones.

strength is the reason for the growing number of paranoid schizophrenia and powerful mental health damage caused by prolonged usage, giving the local methamphetamine its name: yaa baa, or “crazy medicine.”²¹⁰

In recent years, methamphetamine production and shipment have grown significantly in Burma, especially in the Northeastern portion of the country. In the early nineties, many of the minority drug-lords in Northeastern Burma expanded their production and transportation into amphetamine-type substances (ATS).²¹¹

Much like the opium poppy, the *ephedra* plant is indigenous to the Golden Triangle region. The production of methamphetamines is a much simpler process than the production of heroin from the opium poppy. Furthermore, the process of ATS production can be completed using only over-the-counter chemicals and materials. “The main ingredients, which include salt, household cleaning products, distilled cold medicines and lithium from camera batteries, can be bought legally and the drug easily knocked out at home with a couple of casserole dishes and a hob (aquarium filtration device).²¹² This reduces the need for a class of skilled “heroin” cooks to manage the refineries.

Since methamphetamine labs are inexpensive to set up and much easier to hide than heroin labs, the cost for maintenance and production is reduced to the drug lords. Also, since the farming and cultivation of the *ephedra* plant is not as susceptible to climate shifts like the opium poppy, it can be produced year-round.

Over 700 million yaa baa pills are produced annually and shipped into Thailand.²¹³ The cost for production is miniscule, and a mere thirty-six thousand pills can re-coup an entire years’ investment. The current production cost of a single yaa baa pill in Burma today is only \$.03. The Thailand border sale cost of the same pill is \$.67, or 25 Baht.²¹⁴ Meanwhile, the same pill can be sold in Bangkok for the price of \$3.24, or 125 Baht. This is the equivalent of a return 108 times the size of the investment by shipping

²¹⁰ UWSA Primer.

²¹¹ Ibid.

²¹² Ibid, p. 16.

²¹³ Marwaan Macan-Walker – UWSA Primer places the levels at 800 million yaa baa pills per year.

²¹⁴ UWSA Primer – Exchange rates based on 2003 levels.

the drugs to Bangkok. Also, since yaa baa is odorless, and cannot be smelled by drug sniffing dogs, it is much easier to transport than heroin.²¹⁵

Because of the simplicity of the production process, numerous yaa baa refineries have been expanding along the Thailand-Burma border since 1994 in order to reduce the dangers to the transportation section of narcotics trafficking.

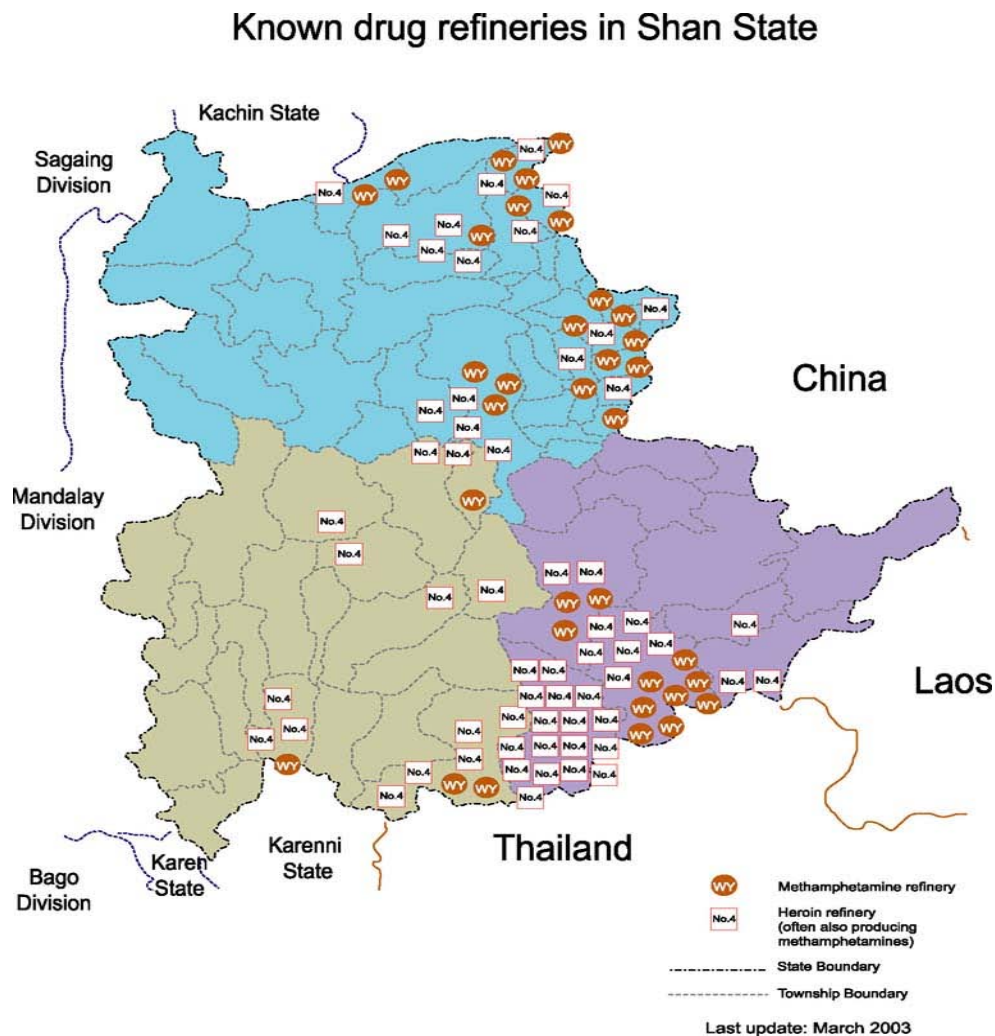


Figure 7. Location of Heroin and Methamphetamine Refineries in March 2003

The considerable increases in methamphetamine production in Burma, and particularly the Shan State Region, has been a substantial destabilizing effect on the Southeast Asian mainland countries. This is mainly due to the ease which it can be transported to other countries.

²¹⁵ UWSA Primer – Exchange rates based on 2003 levels..

B. ILLICIT NARCOTIC TRANSPORTATION

The history of narcotics transportation in Burma continued as an unregulated form of economic support through the Japanese occupation, World War II, and the beginning of the Union of Burma. With the solidifying of the coup government in 1962, the Myanmar regime focused on the regulation of the opium trade, attempting to gain their own financial rewards from its production.

From 1963 to 1973, the General Ne Win military regime actually gave “travel permits,” known as movement orders, which were issued to the local drug warlords for their legal transport of opium.²¹⁶ The military also used the compliant opium-producing paramilitaries in the region as “home guards” to compensate for their own inability to control the periphery regions.

Various Shan military forces used these legal drug trafficking permits to their own advantage and re-sold arms to the insurgent forces fighting the Tamadaw, and the movement orders were revoked in February 1973. These home guard forces simply returned to the mountains to join their insurgent brothers in the fight against the Myanmar regime, moving the regulatory control of the opium trade fully out of Burmese hands.²¹⁷

The movement of drugs from Southeast Asia has been tracked by US government organizations for some time. According to a 1998 Central Intelligence Agency (CIA) publication, Southern China and Thailand are the ideal paths for the movement of illicit narcotics from Burma. According to the report:

China serves as a key destination and transshipment point for Burmese-produced heroin, and has likely equaled, if not surpassed Thailand as the main transit corridor for heroin exported from Burma. Opiates move overland from Burma, through southern China to Hong Kong, Macau, and other regional commercial air and maritime centers for forwarding to Australia, Taiwan, Europe, and North America via maritime and air means.²¹⁸

²¹⁶ Issued to the Shan, WA, etc – Cowell, p. 5.

²¹⁷ Ibid, p. 6.

²¹⁸ CIA Heroin Movement Worldwide: Southeast Asia.

Thailand is just as popular of a route for Burmese traffickers of narcotics. Mule trains like the one in the following photo are used to move the drugs across the Thai-Burma border to waiting vehicles which take the drugs down to Bangkok.



Figure 8. Mule Train carrying refined Heroin across the Thai-Burmese Border

The movement of illegal narcotics is easily shifted from country to country when local law enforcement attempts to interdict the trade. The Mekong River is poorly policed, enabling drug-lords to shift their trafficking routes from country to country.²¹⁹ This enabled any country bordering the Mekong to be used to escape the interdiction efforts from another country by simply slipping into different jurisdictional territories.

Once the drugs arrive in Bangkok, they are transferred to aircraft or maritime vessels which can take the drugs on to their next distribution points.²²⁰ The following map gives a clear view of the movements of heroin once they depart from ports in countries neighboring Burma.

²¹⁹ Laos, Thailand.

²²⁰ Cowell, p. 5.



Figure 9. Regional Southeast Asian Drug Routes

The CIA lists these other important factors concerning the shipment of illicit heroin from Burma:

Although heroin trafficking through Thailand has dropped in recent years due to tighter border security, the country remains a principal transit corridor and market for Burmese heroin and opium. Heroin moves overland through northern Thailand to Bangkok and southern Thailand for export by air and maritime conveyances.

Laos, Vietnam, and Cambodia have emerged as secondary transit zones and markets for Burmese heroin and opium. While most Lao-produced heroin appears to be consumed domestically, Burmese heroin flows overland through Laos to China and Vietnam for local use and transshipment overseas.

Southeast Asian heroin and opium are smuggled to Australia from the Golden Triangle and China by commercial and noncommercial maritime means, as well as by couriers on scheduled flights.

Although most illicit heroin consumed in India originates in Afghanistan or Pakistan, a small percentage of Burmese heroin and opium moves westward by vehicle, river, and foot to India and Bangladesh, primarily for domestic use. Indonesia, Malaysia, and Singapore have emerged as both a market and transit routes for heroin destined for Europe, Australia, and the United States. Nigerian and other African trafficking groups based in Jakarta, Kuala Lumpur, and Singapore use couriers to smuggle 1- to 2-kilogram quantities on scheduled flights to Europe and North America.

While not major consumers of heroin, Taiwan, Japan, and South Korea's advanced transportation infrastructure and large-scale trade volume all serve as potential transit routes for Southeast Asian heroin destined for North America and Europe.

Most Southeast Asian heroin is imported into North America and Western Europe in maritime containers, primarily via major shipping centers. Smaller amounts are brought to consuming nations by individual couriers on commercial flights.²²¹

The advent of methamphetamines has only increased the usage of these routes for shipment and distribution to global markets. The following image depicts the continued flow of heroin and illicit substances around the world.

²²¹ CIA trafficking routes of Heroin.



Figure 10. Global Illicit Narcotics Trafficking Paths

C. OPIUM BAN

In order to reduce the flow of opium from the Burma, the UN proposed a ban on opium. Using the US model of counter-narcotics, the UNODC, as well as other humanitarian agencies, are attempting to establish alternative options for economic development, enabling the ethnic minorities in Northeastern Burma to shift away from opium as a sole source of production, thereby reducing the levels of illicit narcotics being trafficked to other countries. In order to achieve this, pressure was levied on the Myanmar regime through its signatory position concerning UN conventions of counter-narcotics.

Burma is a signatory country of the 1988 United Nations convention on illicit drug reduction.²²² The regime's lack of action concerning a reduction in the drug trade has been a serious issue of diplomatic pressure for the Myanmar regime. This pressure has come from Thailand, other member nations in ASEAN, China, India, and the United Nations.

In response to considerable international pressure, the military junta in Burma agreed in 1999 to ban opium by the year 2014.²²³ The Rangoon military regime focused

²²² INCSR, p. 27.

²²³ UNODC Myanmar Opium Survey, p. 7.

the beginning of the opium ban to start in the Special regions 2 and 4 in the Eastern Shan State.²²⁴ The UNODC contributed by starting alternative development programs in the same regions.²²⁵ In order to work within the framework of the Myanmar Regime's anti-drug endeavors, the UWSA, under the same international pressure, proclaimed a total opium ban in their region of the Shan State by 2007.

On the surface, the opium bad seems to be exactly what the international community wants. According to UNODC figures, there has been a significant reduction in the number of opium produced in Burma. In their 2005 Opium Survey, the UNODC stated another significant annual reduction in the hectares of opium being produced in Burma.²²⁶ Since 2000, two-thirds of the opium fields in Northeastern Burma have disappeared. An eighty percent reduction occurred in 2005 alone, with the number of hectares falling from 163,000 totals down to 32,800 hectares.

According to INCSR figures published in 2004, the metric tons of opium produced in Burma were reduced from 2,560 tons to 484 tons in 2003.²²⁷ The number of opium cultivated in Burma, according to INCSR figures, also reduced from 163,100 hectares down to 47,130 tons in 2003.²²⁸ Due to the minimal difference between the numbers, it is easy to state that the UNODC and the INCSR figures come from the same sources on the opium reduction in Burma.²²⁹

It is along these successes upon which the US and UN have been continuing their counter-narcotic policies in Burma. With further examination though, the parameters upon which the US, and therefore the UN, have based these policies, have created a situation which is easily to manipulate, and that is exactly what the Myanmar regime has done.

²²⁴UNODC Myanmar Opium Survey, p. 7.

²²⁵ The UNODC later expanded to the Kokang region as well.

²²⁶ UNODC Opium Survey 2005.

²²⁷ INCSR, p. 22.

²²⁸ Ibid, p. 23.

²²⁹ It is important to note, that there are no agreements, outside of the numerous UN conventions concerning illicit narcotics trafficking, which include any endeavors to counter the growing flow of yaa baa from Burma.

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V. US & INTERNATIONAL COUNTER-NARCOTIC POLICIES

The US and UN counter-narcotic efforts in Burma are based on policies enacted in other countries.²³⁰ Their success have been based on certain factors which both the US and international agencies do not possess in Burma. They include:

- Support from the Nation-State federal government
- On the ground verification of policy success
- Some level of a functioning infrastructure to enact local-level policy implementations

This of course, does not presume that the usual side effects of an illicit narcotics trade do not exist in these countries, to include corruption, falsifying of reports to the verifying authorities, and competing political interests. This argument simply emphasizes that the ability to verify the successes achieved in other countries is wholly impossible in Burma under the Myanmar regime.

A. US COUNTER-COUNTER NARCOTIC POLICIES

1. US Policy Survey

The US attempts to counter the illegal flow of narcotics with bilateral relationships, focusing around military and economic aid.²³¹ Various bilateral counter-narcotic agreements have been made with Southeast Asian countries to support the international conventions signed in the United Nations' Conventions of the cultivation and trafficking of illegal narcotics. When a bilateral effort cannot be established, the US works in a regional multilateral approach.²³² In Burma's case, the US works with the UNODC almost directly, as efforts to establish bilateral links have either been rebuffed or met with a minimalist token effort on the part of the Myanmar regime.²³³

²³⁰ INCSR 2006.

²³¹ T. J. Pempel, p. 115.

²³² Ibid.

²³³ Ibid, p. 116

US counter-narcotic policies have been meshed with Global War on Terrorism (GWOT) efforts since the events of September 11th.²³⁴ According to the 2005 INCSR, “on a world scale.....illegal drug revenues have become so great that it is likely that most large international criminal enterprises rely on drug money to some extent to finance their operations.”²³⁵ This drug production has become “inextricably linked to transnational organized crime and many terrorist organizations.”²³⁶ Coordinated International Law Enforcement Efforts have linked closely with the GWOT and have re-defined their initiatives.

According to the International Law Enforcement (INL) their programs are:

Designed to advance international cooperation in order to reduce the foreign production and trafficking of illicit cocoa, opium poppy, marijuana, and other illegal drugs. INL commodity and technical assistance programs improve foreign government institutional capabilities to implement their own comprehensive national drug control plans that will reduce the trafficking in illicit drugs and money laundering activities. Training and assistance also supports prevention and treatment programs designed to increase public awareness of the drug threat to strengthen the international coalition against drug trafficking. An INL interregional aviation program supports drug-crop eradication, surveillance, and counter-drug enforcement operations.²³⁷

This synchronized effort is where the US efforts towards Burma’s cultivation and trafficking of illicit narcotics are coordinated.

On March 24, 2005, the United States listed Burma as the largest producer and trafficker of methamphetamine pills in Southeast Asia.²³⁸ The US initiated various regional education, eradication, and interdiction efforts in order to counter the flow of these drugs from Burma into the international markets. Significant amounts of US money are spent to aid our allies in their regional wars on drugs through these programs.²³⁹ Wa leaders like Wei Hsueh-kang are wanted by the US government for trafficking both heroin and ATS pills. The US State Department has offered \$2 million to anyone who

²³⁴ National Security Strategy (NSS) and INCSR.

²³⁵ INCSR Introduction.

²³⁶ INCSR 2005, p. 19.

²³⁷ ONDCP INL Report - February 2005.

²³⁸ Ibid.

²³⁹ INCSR 2003.

hands him over to American officials.²⁴⁰ Still, despite an ever-growing budget, numerous assets, and the coordinated effort of the US and allied forces, the drug problem continues to grow. A study of the obstacles to US counter-narcotic efforts will highlight the difficulties of establishing a unified counter-narcotics policy.

2. Obstacles to the Development of a Unified and Coordinated Counter-narcotics Policy

The full scale of the international narcotics problem must be understood before any critique of the US counter-narcotics efforts can be made. The illicit narcotics market in the US provides the opportunity for drug dealers, who often have little opportunity for growth in their native countries, to earn up to a thirty-fold profit for every gram of the drug which reaches the United States.²⁴¹

There are significant domestic and international policy obstacles to the development of an effective coordinated counter-narcotics policy. Domestic politics surround the limited budget available to the counter-narcotics efforts. The number of civilian, military, health, and educational organizations required to coordinate the multitude of necessary drug programs necessitates considerable synchronization. The Office of the National Drug Control Policy (ONDCP) fulfills this role by harmonizing the Bureau of International Narcotics and Law Enforcement Affairs (INL).²⁴² Within this framework, there are numerous agencies competing for mission-required funding to accomplish their missions on the domestic and international fronts of the “War on Drugs.”

Focusing larger funding to Southeast Asia is limited by the distance between the continental United States and the destabilizing effects of narcotics trafficking there. The Andean region in South America contributes too much more of the illegal narcotics flow

²⁴⁰ Marween p. 1.

²⁴¹ For example – assuming average retail US street price for a gram of pure cocaine, at one hundred US dollars a gram in Colombia equals a street value of \$100 million US in America. The transportation of 100 metric tons per year yields a one billion dollar US annual profit – INCSR 2003, p. 18.

²⁴² ONDCP INL Report, February 2005.

into the country.²⁴³ This results in a greater focus of the monetary funding and policy coordination to this region. Although this does not mean the US has not placed a significant amount of effort into SE Asia, it has simply fixed the “lion’s share” of its efforts into counter-narcotic efforts closer to the mainland United States.

3. Individual, Coordinated, and Multilateral US Counter-Narcotic Polices

International Law Enforcement Academies (ILEAs) are being built by the US in order to “support emerging democracies, help protect US interests through international cooperation, and to promote social, political, and economic stability by combating crime²⁴⁴. They are built to foster international law enforcement relationships by addressing common problems associated with criminal activities.

The ILEA Bangkok opened in March 1999.²⁴⁵ Subject matter experts from Japan, the US, Thailand, the Netherlands, Australia, Hong Kong, and the Philippines provide instruction. Attendance is open to ASEAN member-countries, the People’s Republic of China (PRC), and the Hong Kong/Macau Special Counter-narcotic agencies. 550 students are trained annually in the Bangkok ILEA.²⁴⁶

The Drug Enforcement Administration (DEA) is another key player in the execution of US international drug strategies. Since the majority of the narcotics trafficked in the US come from outside the country, the DEA has a very international focus. The DEA approaches the international aspect of their work via bilateral

²⁴³ Out of the 872.6 million Dollars US budgeted in FY 2005 towards International Counter-narcotics effort by the US, \$745.2 million was focused on the Andean Counter-drug Initiative (ACI) and Latin American counter-narcotic efforts. Out of the remaining funding, which primarily went to global integrated surveillance and aviation programs, only \$4 million US was awarded for counter-narcotic efforts in Asia, Africa, and the Middle East. Afghanistan’s program is budgeted separately from these programs. ONDCP – February 2005.

²⁴⁴ INCSR 2003, p. 37.

²⁴⁵ Ibid, p. 38.

²⁴⁶ Ibid, p. 38 – Local Law Enforcement, Military counter-narcotic forces.

agreements, intelligence gathering, and coordination of training programs like the ILEAs. These various efforts culminate in the assistance and development of host country drug law enforcement.²⁴⁷

The Royal Thai Army (RTA) now operates an Interagency Intelligence Fusion Center (IIFC) in Chang Mai, the second largest city in Thailand. Chang Mai is close to the Golden Triangle as well as the Burmese border, and is an ideal location to track the activities of drug producers in the Shan State Region.²⁴⁸

Based on intelligence collected at the IIFC in December 2002, a January 13, 2003 attempted interdiction of a UWSA caravan into Thailand seized 1 million methamphetamine yaa baa pills which were left behind by the escaping drug transporters.²⁴⁹

Significant seizures were made throughout 2003 by the joint efforts of the DEA, the RTA, and the Thailand Special Investigations Bureau. Much of what was confiscated involved yaa baa, as well as heroin. A number of the seizures included UWSA forces.²⁵⁰

The interdiction portion of the US counter-narcotic efforts is being praised for a reduction in flow of yaa baa and heroin from Northeastern Burma. Thailand and DEA joint intelligence agencies believe the yaa baa methamphetamine pills are building up in warehouses in the Shan State Region because of the UWSA's inability to transport past the new joint efforts created by the international "war on drugs".²⁵¹ Thailand intelligence officials point to the new "frustration" of the Burmese drug lords, resulting from their counter-narcotic efforts. Still, there is a strong belief that alternate routes have been established.

Yaa Baa addiction in Thailand is still growing, not shrinking. In other mainland Southeast Asian nations²⁵², yaa baa usage is also on the rise.²⁵³ New routes using the

²⁴⁷ INCSR 2003, p. 39.

²⁴⁸ Approximately 75 kilometers to Mae Hong Son from Chang Mai along the NW Border.

²⁴⁹ INCSR, p. 39.

²⁵⁰ Ibid, p. 40.

²⁵¹ Ibid, p. 46.

²⁵² Laos, Vietnam, and Cambodia.

²⁵³ INCSR 2003, p. 46.

Mekong River to transport narcotics into Cambodia are the most recently suspected means of trafficking yaa baa; heroin has been tracked moving up into Laos from the same river.

In June 2001, Burma was placed on the Financial Action Task Force's (FATF) list of non-cooperating countries due to its poor quality anti-money laundering laws.²⁵⁴ There has been new legislation passed in Burma to comply with the FATF's requests, and a new Financial Investigation Force has been established for the DEA in Rangoon to aid the Burmese.

Interdiction is the most difficult portion of the counter-narcotic effort. Opium can be grown in many different climates and conditions.²⁵⁵ This makes it extremely difficult to track the cultivation and production of the drug.

The US has defined a "five-point user chain" in an attempt to halt the flow of narcotics to the US without relying solely on interdiction²⁵⁶. The five point user chain entails:

- 1) The growers cultivating the drug
- 2) The processor of the drug
- 3) The transit/transporter of the drug
- 4) The Wholesalers / Retailers of the drug and
- 5) The drug user in the US.²⁵⁷

According to US international counter-narcotic theorists, "crop control is the most cost-effective form of cutting the supply of drugs."²⁵⁸ The INCSR acknowledges that this entails significant economic and political ramifications for the country in which the supply removal occurs. Massive chemical eradication of crops, even illegal ones, is illegal itself in many countries. Also, this eradication attacks the poorest sectors of the

²⁵⁴ INCSR 2003, p. 50.

²⁵⁵ Unlike cocaine which grows in three Andean countries in South America – INCSR 2003, p. 12.

²⁵⁶ INCSR 2003, p. 16.

²⁵⁷ Ibid.

²⁵⁸ Ibid.

population, who usually have nothing else besides the drug production to survive.²⁵⁹ The US states in the INCSR that the focus must entail a long-term result as well as an immediate impact.

The success of the combined eradication, education, and interdiction efforts in Peru and Bolivia, when they are combined with an alternative development program have resulted in attempt to re-apply these policies in Burma. The ethnic distribution within the county makes the applications of these strategies much more difficult.

In more specific dealings with drug trafficking in Burma, the US has also designated certain ethnic paramilitaries as listed Foreign Narcotics Kingpins.²⁶⁰ This designation enables more substantial funding and effort to be placed on the apprehension of these individuals. The UWSA leadership was added to this list by US President George W. Bush on June 2, 2002, making it illegal for any US government officials, or US businesses, to deal with the UWSA.²⁶¹

In 2005, the INCSR was submitted again in March 2006 with acknowledgement of Burma's failure to implement effective preventative measures and its lack of compliance with counter-narcotics enforcement" as well as the regime's need to "address the increased threat of synthetic drugs."²⁶² The US states in the 2005 INCSR that due to the sanctions on direct assistance to the Myanmar regime require the "cooperation of regional allies in counter-narcotic efforts – mainly Thailand and China."²⁶³ The focus on alternative development and infrastructure programs being implemented in insurgent areas are the necessary complements to interdiction.²⁶⁴

The INCSR proclaims the following necessary tools the Burmese government must implement in order to be back on track with their required counter-narcotic operations:

²⁵⁹ INCSR 2003, p. 16.

²⁶⁰ Chouvy – Wa Opium Ban, p. 5.

²⁶¹ Ibid.

²⁶² INCSR 2005, p. 6.

²⁶³ Ibid, p. 7.

²⁶⁴ Ibid.

- Crop Eradication
- Counter-narcotic actions
- Effective Law Enforcement
- Alternative development
- Support for former poppy developers

Still, the 2005 INCSR makes references to the continued reduction in opium growth and cultivation in the border regions in the Shan State Region.²⁶⁵ The report also focuses on the lack of opium production outside of the Shan region.²⁶⁶ The INCSR therefore, by a simple statement, focuses all of the counter-narcotic efforts in Burma to be in the Shan State Regions. Furthermore, by stating the lack of opium production in the regional lowlands where the Tatmadaw maintains near total control, as non-complicit in the drug trade. All US methods will develop out of this strategic focus.

4. United States Drug Eradication Methods

The United States attempts to counter the traffic of illegal narcotics by the following methods:

1. Attack Traffic Organizations
2. Institutional Reform
3. Extradition
4. Controlling Drug Processing Chemicals
5. Controlling Supply
6. Interdiction in the Transit Zone
7. Demand Reduction

The US has not turned a blind eye to the dangers of drug trafficking, and has been extremely supportive of interdicting and eliminating the drugs on many levels. In January 2005, eight members of the UWSA leadership were indicted in US federal court on charges of drug trafficking. Even the leading UWSA tribal drug lord, Wei Hsueh Kang,

²⁶⁵ The 2005 INCSR Survey lists the opium production in 2004 as a 34% reduction to 30,900 hectares from 47,130 in 2003 – p. 33.

²⁶⁶ Less than 1% of all opium produced in Burma is produced outside of the Shan region according to the report.

has been indicted, with a two million dollar bounty placed on his head by the US government. Almost one year later, none of these members have been captured, or brought to trial in the United States.²⁶⁷

And yet Burma is not mentioned once during the budgetary recommendations for FY 2006.²⁶⁸ Southeast Asia as a whole is referred to as a region where opium cultivation is in a “sharp decline” and unable to even meet the “regional demand” for the product.²⁶⁹ The regional efforts are considered to be an “advance,” only to be off-set by the increasing cultivation in Afghanistan since the fall of the Taliban regime.²⁷⁰

The US policies are not without considerable international support. The UNODC works closely in concert with the US concerning counter-narcotic policies around the world. Due to the extensive involvement in the removal of illicit drugs from Burma, no analysis of counter-narcotics in the region would be complete without an understanding of the UN policies.

B. UNODC COUNTER-NARCOTIC POLICIES

The United Nations Office of Drugs and Crime is the UN organization dedicated to the reduction of international drug trafficking, as well as the criminal effects of narcotic cultivation, refining, trafficking, and usage. The US ONDCP directly funds and supports the UNODC efforts. Therefore, US efforts are strongly tied into the international UN efforts.

There are many international treaties which have been signed by UN member nations concerning the eradication of illicit narcotic trafficking, including Burma. Burma has signed numerous treaties concerning the elimination of illegal narcotics. The 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention, as well as the UNODC’s 1995 sub-regional action plan for counter-narcotics were all signed by the Myanmar regime.²⁷¹

²⁶⁷ ONDCP INL, February 2005.

²⁶⁸ Ibid.

²⁶⁹ Ibid.

²⁷⁰ Ibid – The ONDCP report also refers to the Afghanistan production of heroin as a lesser issue for the US overall due to the minimal amount of the product which reaches the US.

²⁷¹ Ibid, p. 55.

Regional efforts have been the focus of the UNODC, with territory-oriented programs to remove the need for narcotics production at the core of many of the international organizations programs. In the 2005 Myanmar opium survey, the results found jointly by the UNODC and the Myanmar regime mirror the reductions found by the US counter-narcotic organizations. In other words, all counter-narcotics organizations are considering the opium bans in the Shan State Region to be successful. There was a twenty-six percent reduction in opium poppy cultivation in Burma with a twenty-five percent reduction in the Shan State occurred in 2005.²⁷² Furthermore, large reductions occurred in the number of families cultivating opium poppies.²⁷³

The UNODC WADP was originally created to be a \$12.1 million five-year plan.²⁷⁴ Its goal was the development of alternative crops to replace the opium-reliance in the Shan State Region territory controlled by the UWSA. The budget was recently increased to \$16.8 million and extended to 2007.²⁷⁵

The United Nations sponsored the Greater Mekong Sub-region Memorandum of Understanding (MOU) was the regional Southeast Asian attempt by the UNODC to attack the flow of illegal narcotics through cooperative efforts of the local countries.²⁷⁶ The MOU included the original member nations of Burma (Myanmar Regime), China, Laos, and Thailand. The group became the MOU-6 when Vietnam and Cambodia joined the UNODC-founded group.²⁷⁷

The collective UN multilateral policies focus along the same goals as the US bilateral policies. The most important factor to note is the US financial and operational support of these triumvirate policies enacted by the UN. This places the UN's direction almost solely in the pocketbook of the US counter-narcotic efforts. This is not a totally adverse situation, since it enables the US to coordinate directly with countries at the bilateral level while working through multilateral diplomatic efforts with the UN General

²⁷² UNODC Myanmar Survey – p. 1.

²⁷³ Ibid. A 25% reduction in Shan households surviving on opium with a 40% increase in the average yearly income of these households who no longer farm the drug .

²⁷⁴ INCSR, p. 53.

²⁷⁵ Ibid, p. 54.

²⁷⁶ Pempel, p. 117.

²⁷⁷ Ibid, p. 116.

Assembly and Security Council. What it does do, is make both agencies susceptible to the same levels of manipulation which will be addressed later.

C. US DEMOCRATIZATION POLICIES / ECONOMIC SANCTIONS AGAINST THE MYAMNAR REGIME

The US is not only concerned about the significant number of illegal narcotics being shipped from Burma, but also level of repression enacted by the regime. The US states the purpose of the economic sanctions enacted on the Myanmar regime have specific intention of regime change in the country of Burma. “The aim is to isolate and squeeze the junta until it cedes power to Suu Kyi, or moves towards true democracy.”²⁷⁸

The exact phrasing from the US Department of State (DoS) is:

The United States has imposed broad sanctions against Burma. Many of the sanctions in place are applied under several different legislative and policy vehicles. In 2003, the Congress adopted and the President signed into law the Burma Freedom and Democracy Act (BFDA), which includes a ban on imports from Burma, a ban on the export of financial services to Burma, a freeze on the assets of certain Burmese financial institutions and extended visa restrictions on Burmese officials. Congress renewed the BFDA in July 2004 and again in July 2005.

In addition, since May 1997, the U.S. Government has prohibited new investment by U.S. persons or entities. However, a number of U.S. companies exited the Burma market even prior to the imposition of sanctions due to a worsening business climate and mounting criticism from human rights groups, consumers, and some shareholders because of the Burmese Government's serious human rights abuses and lack of progress toward democracy. The United States has also imposed countermeasures on Burma due to its non-compliance with the recommendations of the Financial Action Task Force on money laundering.

For its particularly severe violations of religious freedom, the United States has designated Burma a Country of Particular Concern (CPC) under the International Religious Freedom Act.

²⁷⁸ Schuman, p. 1.

The United States downgraded its level of representation in Burma from Ambassador to Chargé d'Affaires after the government's crackdown on the democratic opposition in 1988.”²⁷⁹

The effectiveness of this policy of economic sanctions against Burma, which have been in place since 1988 as an arms embargo and since 1997 as a total ban on all US economic dealings with the Myanmar Regime, are consistently in question.²⁸⁰

According to a recent Forbes sponsored study on sanctions; the US has led two-thirds of the sanctions enacted against other countries since 1945.²⁸¹ The article quotes a study by the Institute of International Economics (IIE) that states only 33% of all sanctions can be considered effective. Other studies point to a 5% success rate because other factors are the actual influencing the change in the sanctioned countries’ policies with a threat of invasion as the usual impetus for adjustment.²⁸² Furthermore, it is not a change in “high politics” which adjust the success rate of sanctions, but instead, areas of “low politics.”²⁸³

There are five standards which are considered important in making economic sanctions effective, and ensuring the effect is delivered to the intended regime, and not transferred to the general population instead. They are:

1. Well-defined, narrow goals
2. Who pays?
3. Multilateral Cooperation
4. Allies and Adversaries
5. Sanctioning Elites.²⁸⁴

²⁷⁹ United States Department of State Bureau of East Asian Public Affairs – August 2005.

²⁸⁰ ICG Report – Myanmar: Sanctions, Engagement or another way forward? – April 2004.

²⁸¹ Oxford Analytica Forbes article.

²⁸² University of Chicago's Robert Pape – need to know what year this study was conducted.

²⁸³ High politics is defined as nuclear proliferation, terrorism support, territorial disputes – Low politics are referred to as environmental issues, regulations, labor standards. From the University of Chicago Daniel Drezner – Forbes article.

²⁸⁴ This referenced article can be read in greater depth at www.forbes.com while the supporting data can be found at Oxford Analytica – www.oxan.com. Downloaded on April 15, 2006.

In the question of the economic sanctions being levied upon Myanmar, the US-led sanctions fail in almost all of these categories. The goals for democratization are broad, and not defined by incentives to entice the regime to capitulate to the US' policy requests.²⁸⁵ The “who pays” question has not been truly analyzed, and the complexity produced by the multiplicity of the conflict within Burma has resulted in the Burmese people and the numerous ethnic minorities all receiving the brunt of the damage from these sanctions, not the regime.

For example, the Burmese garment industry, which exported 85 percent of the garments to the US previous to the sanctions, was devastated by the restrictions.²⁸⁶ The US administration has repeatedly pointed to this damage to the Burmese economy as a sign of the effectiveness of the policies. The garment industry though, has very little connection to the Military Junta. The garment industry in Burma is 88 percent privately owned, mainly through international investment into joint ventures, and employs primarily the Burmese population throughout its industry.²⁸⁷ The overall result was a miniscule \$10 million dollar loss to the Tatmadaw, while overall, private industries in Burma lost sixty factories and unemployed over 60,000 workers in the first three months of the embargo.²⁸⁸

Although the US has pursued multilateral cooperation from its allies, and has received the support of the United Nations on the sanctions, the efforts are not multilateral enough. EU countries, China, and ASEAN all oppose policies of isolation against Burma's ruling Rangoon regime, ensuring their will be economic FDI to pursue away from the Western economies. This balances with the “allies and adversaries questions because the US has not fully assessed the importance of the ethnic minorities in the questions of economic sanctions.

Finally, in the fifth factor which must be considered in the balance of economic sanctions: the issue of sanctioning elites, the US has failed in totality. Sanctioning a

²⁸⁵ICG Report – Myanmar: Sanctions, Engagement or another way forward? – April 2004.

²⁸⁶ ICG Report, p. 19.

²⁸⁷ Ibid.

²⁸⁸ Ibid – It is estimated that the total job loss equaled 150,000 within the year with an average, based on the EU figures of economic family distribution in Asia, 750,000 total Burmese placed on the brink of starvation by this single facet of the economic sanctions.

country which does not care about its population is a useless practice. The damage to the economy can easily be re-distributed to the people. If the country's goal is the eradication of a specific part of the population, sanctions are an ideal tool.

The concern with the US's counter-narcotic policies is that they are not being coordinated with the multilateral sanctions being implemented against the Myanmar Regime. The lack of coordination is what has enabled the Myanmar regime to manipulate these separate policies to complement their own policies of genocide.

D. POLICY SUMMARY

Up until this point, there has been a focus on history, actors, policies, and context. All of these analyses have focused on these issues and players singularly. Many of these actors have been overlooked, or treated as insignificant, in previous policy decision-making by US regimes. All of these actors must be addressed in policy assumptions in order to create effective counter-narcotic and economic policies.

VI. MYANMAR'S MANIPULATION OF US AND INTERNATIONAL POLICIES

The previous chapters dealt with the environment, history, and context in which the Myanmar regime has implemented its policies of ethnic cleansing. This chapter will analyze those policies in the context of the Tatmadaw's intention to preserve their power, and the unity of the country of Burma, at any cost.

Due to the considerable support the ethnic minorities placed behind Aung San Suu Kyi in the 1990 elections, the Rangoon regime altered its traditional policies of direct confrontation with the ethnic minorities towards combined policies of slow eradication. Using historical revisions, cease-fire agreements, and manipulations of international policies towards the country, the Rangoon regime has been achieving these policies by combining direct removal alongside the slow eradication of the populations themselves.

A. MYANMARIZATION

When the SLORC suppressed the NLD after the May 1990 elections, they adopted a policy of 'Myanmarization'. This policy focused on the unification of the country by re-claiming Burma's connection to its ancient imperial past.

The Burmese Ministry of Information, in 1989, published various papers on what the regime considers to be the real source of all of their modern problems: British Colonialism and the Western democratic powers.²⁸⁹ The state-run newspaper *New Light Myanmar*, and the state publications *The Conspiracy of Treasonous Minions within the Myanmar Naing-ngan* and *Traitorous Cohorts Abroad* laid the blame for poverty, ethnic conflict, and economic weakness at the feet of British Colonialism. These publications state that the world was full of:

Foreign (chiefly Western) enemies yearning to re-enslave the Burmese nation. Chief among the treasonous minions is pro-democracy leader Aung San Suu Kyi, whose marriage to a British citizen and long residence abroad are cited as evidence of her use by evil-minded foreigners to sunder the nation.²⁹⁰

²⁸⁹ Seekins, p. 532.

²⁹⁰ Callahan, p. 99.

Myanmarization is actually a tool of the regime, blended into the educational system of the country. Ethnic populations are unable to teach or study any syllabus not approved by the political educational institutions. In 1998, the Myanmar regime removed over 120 Mon schools, preventing 6000 students from attaining any education.²⁹¹ The reason was, “The teaching of the Mon language and literature was not officially allowed.”²⁹² Even Buddhist monks have been arrested for the “promotion of the use of the Mon language.”²⁹³ The important factor to understand is that prior to the democratic uprising of 1989, there was no policy of Myanmarization in the country of Burma.

This eradication of the ethnic minority languages and culture from the standard educational syllabi in Burma is actually just one of the more obvious implementations of the removal of the ethnic minorities by the Myanmar regime. Once this is seen in combination with the traditional “elimination” strategies used by the Rangoon junta in its history, the context of the Myanmarization policy becomes more apparent.

B. FOUR CUTS STRATEGY

The Four Cuts Strategy was originally implemented by the Tatmadaw in the mid 1960s.²⁹⁴ The intention of the strategy was to cut off supplies of food, sources of funding, recruits, and intelligence. The Four Cuts Strategy was the Tatmadaw’s plan to eliminate the ethnic insurgencies military forces by removing their power base. Like removing the four legs of a chair, the military would eliminate the insurgent militaries’ connection to food, money, intelligence, and recruits.²⁹⁵ In this strategy, all villagers are considered resistance fighters, and no-one was innocent. Everyone was forced to fight, join, or flee from the Tatmadaw.²⁹⁶

By the time the cease-fire was offered in 1989, the ethnicities were more than ready to agree to an alleviation of warfare, and to develop a new system of interaction. This system continues today with the Myanmar regime attempting to manipulate various

²⁹¹ Callahan, p. 100.

²⁹² Ibid, p. 101.

²⁹³ Ibid, p. 100.

²⁹⁴ Fink, p. 48.

²⁹⁵ Ibid, p. 48.

²⁹⁶ Ibid.

ethnicities against each other to preserve their own centralized position. It was to become an arrangement where the opium trade could flourish.

With military force being constantly applied against the minorities in Burma, survival became the sole goal of the ethnic populations. Over time, the opium trade became the only avenue for survival, leaving the paramilitaries no other avenue in which to procure the necessary material in which to conduct their wars of autonomy. This makes the opium ban the ideal avenue for profit-building as well as an opportunity to undercut the Tatmadaw's economic suppression of the ethnic minority populations.

C. OPIUM BAN (TATMADAW)

The "claimed commitment" to the opium ban by the military regime in Burma has been called questionable by the United States.²⁹⁷ The US, in 2004, stated that the Myanmar military regime has "failed demonstrably" to meet the international counter-narcotics obligations.²⁹⁸ In fact, Burma is the only country which the US refused to certify as even attempting to fulfill counter-narcotic obligations. The US refers to the regimes continual lack of effort in implementing any policies which would successfully eliminate the flow of illicit narcotics from the country.

The shift from opium to ATS has enabled the Tatmadaw to maintain profits from their shadow economy connection to the ethnic drug lords. The cease-fire between the UWSA and the Tatmadaw is the most damaging obstacle faced by the other ethnic minorities in Burma. This is because, while other ethnic militaries have signed cease-fires, the UWSA has become a proxy force for the Tatmadaw.

According to Shan officials, "The UWSA is making a mockery of its anti-drug efforts. If the Burmese are serious about eliminating drug trafficking, they would fight the WA one day."²⁹⁹ Even the Tatmadaw spokesman' Colonel Hla Min, for the first time, publicly admitted: "We are fighting the war [on drugs] for them...This drug thing is not a big problem in this country."³⁰⁰

²⁹⁷ Vaclev, p. 26.

²⁹⁸ INCSR Introduction.

²⁹⁹ Marshall.

³⁰⁰ AFP news report – SHOW BUSINESS – referring to the efforts to combat drugs are based on international pressure.

According to reports from Shan journalists in the region of the opium reduction, there is a subterfuge being perpetrated, with the Northern portion of the Shan region undergoing opium reduction, while the Southern Shan region, where the Wa have been relocating to, has been operating at higher levels.³⁰¹

Northern Shan State was chosen as the main area for the demonstration of Rangoon's seriousness. This appears to have been for the following main reasons:

- The ability of its major allies there to survive without opium and its derivative, heroin, following the emergence of methamphetamines as an alternative export earning since the mid 90s;
- The absence of armed resistance movements in the north after warlord Khun Sa surrendered in 1996 and after the Shan State Army "South" units' withdrawal to the south, which meant that active insurgency could not be used as an excuse for inaction against drug production;
- The proximity of the area to the Chinese border: China had been putting pressure on Burma to stop the flow of drugs across the border
- The fact that any decline of poppy production in the north could easily be offset by increased production in southern and eastern Shan State, most parts of which were off-limits to outsiders.³⁰²

The Combined policies enacted by the Tatmadaw in the Shan region are as follows:

Selective engagement – The Tatmadaw has targeted only the opium fields which are maintained by minorities which have not signed cease-fires with them.

Harsh Reprisals – When the Tatmadaw, or their proxy forces (UWSA), strike at opium fields and refineries, it is usually with viciousness, extremely quick, and always extra-judicial in nature. When non-cease fire military forces attempt to cultivate and transport the opium, they are tracked and eliminated, regardless of sex, age, or ethnicity.

Showcase Bonfires – When international pressure increase, the Tatmadaw likes to collect the opium, taken usually from starving farmers, and burn the collected narcotics for media events.

³⁰¹ Marshall.

³⁰² Ibid.



Figure 11. Opium Burning demonstrations by Tatmadaw Soldiers

Vulnerable populations Affected – The farmers targeted for the opium ban patrols are usually in the outlying villages, and in territories where opium cannot be easily grown. With such reprisals levied against these remote farming villages, many are starving due to the continual removal of their sole “cash crop.”³⁰³

The opium ban will affect the 250,000 families in the Shan State which will be forced to comply with the international standards set by the ban.³⁰⁴

Rural communities risk being sacrificed in an effort to comply with international pressures about drug-free deadlines and US drug control certification conditions from neighboring countries.³⁰⁵

³⁰³Marshall.

³⁰⁴ Jelsma, p. 3.

³⁰⁵ Jelsma, p. 3.

To achieve a sustainable decrease, alternative sources of income for basic subsistence for farmers have to be secured. Enforcement of the current tight deadlines does not allow alternatives to be in place in time, in spite of genuine efforts undertaken by UNODC and other international agencies. A humanitarian crisis will occur, jeopardizing the fragile social stability in the poppy growing areas.³⁰⁶ According to various experts in the region, along with the drug socio-economic culture which has resulted, state that the only viable and humane option lies in a simultaneous easing of drug control deadline pressures and increasing international humanitarian aid efforts.³⁰⁷

Today it appears that few drug producers in Shan State share the earlier misgivings about producing methamphetamines. Speaking on the sidelines of a public poppy seed burning on 25 October 2002, a high-level civil servant in Lashio remarked:

It's not surprising that Wa and Kokang (ceasefire groups) can afford to quit heroin, because they are free to engage in Yaba (methamphetamines). They don't have to worry about the weather. And they can churn it out anytime they want

A ceasefire group leader residing in Lashio concurred:

Opium might make a temporary disappearing act, but that's no consolation, because Yaba is making headway filling up the vacuum and more³⁰⁸

The reason this manipulation is so easy to achieve is that there are only certain areas in which the flow of illegal narcotics can be tracked.³⁰⁹

Cultivation, or the tracking by intelligence assets³¹⁰ of the amount of hectares being utilized in order to produce drugs, is the main factor the US can proclaim to know with "reasonable" accuracy. The issue which is not traceable is the amount of finished product is produced from the hectares of farms used to produce the drug in question. Harvesting and processing estimates are then used to fill in the quantitative blanks.³¹¹

³⁰⁶ ³⁰⁶ Jelsma, p. 3.

³⁰⁷ Ibid.

³⁰⁸ Show Business.

³⁰⁹ INCSR 2005, p. 20.

³¹⁰ Satellite and Airborne ISR.

³¹¹ INCSR, p. 21.

The important factor to take is emphasized in the INCSR itself: “The yield figures are theoretical”³¹². This enables the Tatmadaw and their allied paramilitary forces to manipulate what they present to the inspectors.

Planned socio-political surveys of the Shan and Koknag regions where the alternative development programs have been implemented by the UNODC have been unable to be implemented.³¹³ Lawlessness and significant security risks to the survey teams prevented any survey from occurring in 2005 despite the fact that widespread poverty has occurred in other areas where opium bans have been forced upon the population.³¹⁴ The UNODC admits its assessment of the narcotic data is only the “best possible information gathered within these extenuating circumstances.”³¹⁵

Furthermore, the UNODC 2005 Myanmar Opium Survey does not have ground assessments or satellite imagery to analyze the Sangaing Division, Chin State, and Kayah State. The Survey discounts these regions as producers of opium poppies for local use, with no regional trafficking occurring.³¹⁶ In the Kachin state, due to logistical constraints, only two townships were surveyed.³¹⁷ In Special Region 4, where the 1997 declaration proclaimed a total removal of opium, no fields for cultivation were found. It is important to note, that even the report lists the survey as “rapid.” This gives much credibility to the accounts of the refugees who claim the Tatmadaw’s “War on Drugs” is a façade.

The Wa population is not exempt from the actions of the UWSA either. The United Wa State Party (UWSP) proclaimed the opium ban and the UWSA are the known drug traffickers in the region. The general Wa population, who are the farmers who survive by the growth of opium, and facing the elimination of the sole crop which keeps the families in their territories fed.³¹⁸ 75 % of the farmers in this region use opium as a cash crop because of the inability of rice to be grown six months out of the year.³¹⁹

³¹² INCSR, p. 21.

³¹³ UNODC 2005 Myanmar Opium Survey, P. 8.

³¹⁴ Ibid.

³¹⁵ Ibid.

³¹⁶ Ibid, p. 12.

³¹⁷ Ibid.

³¹⁸ Chouvy – Opium ban and Wa.

³¹⁹ Ibid, p. 3.

The Wa leadership, in order to compensate for the need to move the opium farmers out of the region, are moving their population down to other regions that were captured in the wars with the MTA surrender in 1996.³²⁰ This forced relocation of the population is another one of the reasons for the conflict with the Shan, who previously resided and farmed those regions.

The Wa Development program and the Yong Kha Development program are funneling funds to the region, and the Wa population through the Thailand cities of Chang Mai and Chang Rai, which border these Burmese Shan State territories.³²¹

The Wa leadership, although very dedicated to the opium poppy eradication in the required regions, have simply diversified into methamphetamine production. The 171st UWSA military region has seen the production of yaa baa jump dramatically.³²²

Much of this is accomplished by the clandestine deals established between Wei Hseuh-Kang and the Rangoon regime.³²³ The Burmese military junta set one minority group against another while it conserved its own strength. The Junta saves manpower and weapons while creating drug revenues at the same time.³²⁴ The UWSA leadership is more than happy with this deal because they get to keep their drug profits, maintain their autonomy, and then overtakes the drug facilities and production of the minority warlords they defeat.³²⁵

The Myanmar regime currently has counter-narcotic policies in place. According to figures produced by the regime in 2004, ATS seizures are on the rise, and eight million yaa baa tablets were confiscated, double the amount in 2003.³²⁶

The UNODC, at its headquarters in Vienna, released this press statement concerning the success of the Opium Ban:

³²⁰ Chouvy – Opium ban and Wa, p. 4.

³²¹ Ibid.

³²² Ibid.

³²³ Show Business.

³²⁴ Ibid.

³²⁵ Ibid.

³²⁶ INCSR 2005, p. 53.

The vicious linkage between opium and poverty is being broken. Until recently the elimination of opium cultivation in the 'Golden Triangle' would have been considered impossible. It is now within reach. However, countries need assistance to sustain legal activities and alternative crops. With the support of the international community, an important and painful chapter of world drug history is coming to an end.³²⁷

While the UNODC, and the supporting countries enacting policies to eliminate the illegal drug flow from Burma, believe that the elimination of the opium is achievable, the Myanmar regime will manipulate these policies for their own purposes.

In "Show Business," an independent investigation by a Shan news agency into the military regime's "War on Drugs," a new version of the policies enacted by the Tatmadaw becomes apparent. This investigation makes it very apparent that the junta has been staging "anti-drug" campaigns in regions opposed to their rule, and maintaining "staged" opium ban movements in areas the military and their cease-fire para-militaries control, like the UWSA.³²⁸

In order to maintain control of Shan State without reaching a political settlement with the ethnic peoples, the regime is allowing numerous local ethnic militia and ceasefire organisations to produce drugs in exchange for cooperation with the state. At the same time, it condones involvement of its own personnel in the drug business as a means of subsidizing its army costs at the field level, as well as providing personal financial incentives.

S.H.A.N. has documented the existence of at least 93 heroin and/or methamphetamine refineries in existence this year, run by the regime's military allies, with the complicity of local Burmese military units. Raids on refineries carried out during the regime's "war on drugs" have targeted only smaller players and served to consolidate control of the refineries into the hands of the major drug operators such as the United Wa State Army.³²⁹

These accounts from the Shan refugees, as well as Shan dignitaries and leaders in exile, point to the extreme falseness of the Tatmadaw's war on drugs, and its alternate intentions: the ethnic cleansing of the ethnic minorities in the country.

³²⁷ Jelsma, p. 4.

³²⁸ Show Business.

³²⁹ Ibid.

D. ETHNIC CLEANSING

The true intention of the Tatmadaw concerning the ethnic minorities at the fringe of Burma is to remove them from the population. Since the Tatmadaw took control of the Burmese government in 1962, their policies have focused on the solidarity of the country with themselves in total control. With the lack of success the regime has achieved through direct conflict, a return to a divide and conquers policy. The policies which the military regime pursues are oriented towards the result of removing the other minorities in Burma from existence.

The ceasefires have enabled the Tatmadaw to use ethnic militaries against each other. The UWSA was used to defeat the MTA.³³⁰ Thousands of Shan soldiers are still fighting for autonomy against the Tatmadaw, but they are primarily doing it against the UWSA now.³³¹ This frees the Tatmadaw from wasting equipment and trained soldiers against insurgent forces.

The Tatmadaw has been operating forced relocations in conjunction with the UWSA, and have moved over 1400 villages by 1998.³³² Amnesty International places the number of Shan displaced by the relocations at 300,000, but considers these to be very conservative estimates. In July 1997, eye-witnesses proclaimed to Amnesty International that 300 Shan who returned to one of their villages to get food were shot by Tatmadaw soldiers.³³³

Thailand's dealings with the refugees flowing over from the Burmese Shan State Region have been to allow refugee camps for certain ethnicities: Karen and Karenni. Thailand has been unwilling to establish refugee camps for the Shan, and have instead been using the Shan refugees for low-wage labor in industries in the country.³³⁴

³³⁰ This action earned the Tatmadaw good international recognition due to the history of the MTA's leader: Khun Sa, as a drug lord.

³³¹ Amnesty International Atrocities in the Shan State – p.1.

³³² Ibid.

³³³ Ibid.

³³⁴ Amnesty International Atrocities in the Shan State – p.1.

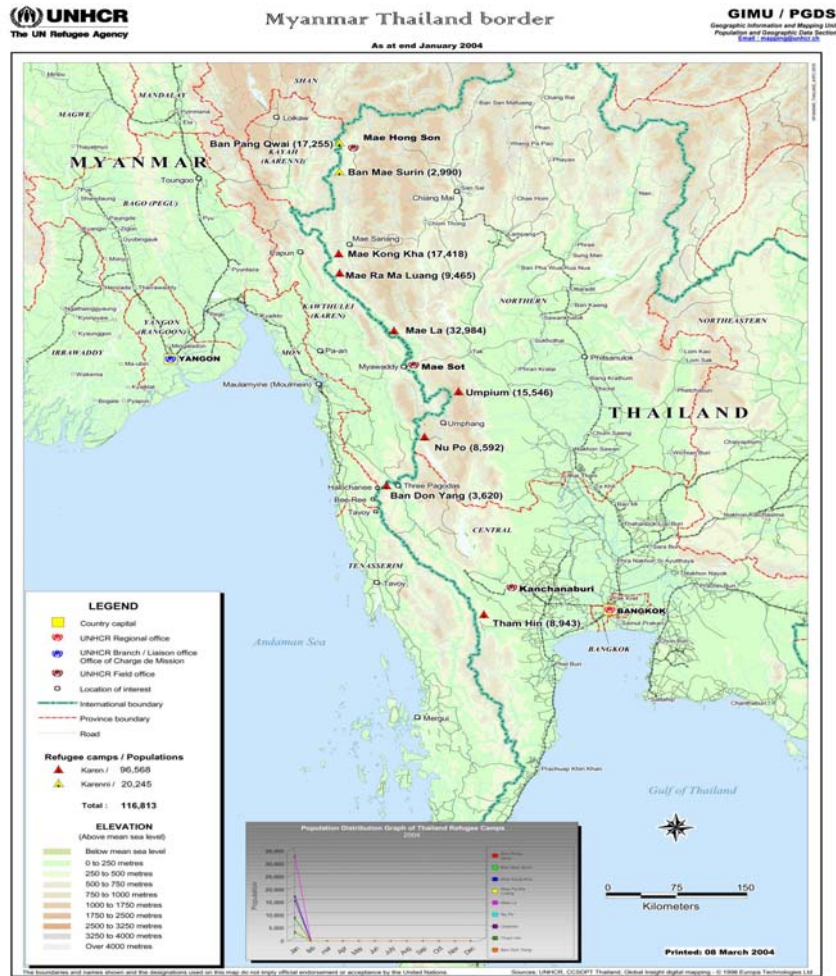


Figure 12. Refugee camps locations in Thailand.

The opium ban has been the most useful addition to the traditional overt policies of eliminating the ethnic minorities in Burma. The removal of opium as a means of survival for the ethnic farmers in the mountainous regions, without giving those populations an alternate means of survival, will result in a humanitarian crisis of gigantic levels. The displacement of these populations, and starvation, only contribute to other opportunities of ethnic cleansing.

1. Children Soldiers

Children soldiers have been impressed into the Tatmadaw as early as the age of eleven³³⁵. In 2002, almost 70,000 of the 350,000 soldiers in the Tatmadaw were children. Since these children are removed from any contact with their family, it is a useful way to remove ethnic minority boys from growing up to the soldiers in the minority paramilitaries like the SSA or KNU, who also recruit child soldiers to fight.

Since children are not usually effective soldiers, they are usually relegated to thieving duties for their officers or brutal forced labor. The children, due to their high death rate, are usually used to carry out human rights atrocities.³³⁶ On average, army battalions will keep an average of 50 to 250 boys at each of the 50 to 100 bases. At any time, there may be as many as 25,000 boys impressed into the military.³³⁷

Resolution 1460, which the United Nations Security Council ratified to make the recruitment and use of children as soldiers in armed conflict a transnational crime.³³⁸ Burma is also a signatory to the Convention on the rights of a child. Article 38 requires signatory governments to “take all feasible measures to ensure that persons who have not attained the age of fifteen do not take a direct part in hostilities.”³³⁹

2. Rape as a Tool of Ethnic Genocide

Rape is a strategy of control used by the military Junta’s forces, and has become systemic under the military rule in Burma.³⁴⁰

The “Catwalk Barracks” have been utilized by the military to remove the women from the ethnic minorities. In recent humanitarian reports from the Mon refugees who have escaped Burma, rape has been systemically used by Tatmadaw soldiers to:

³³⁵ Vaclev, p. 32.

³³⁶ Ibid.

³³⁷ Ibid, p. 33.

³³⁸ Ibid.

³³⁹ Ibid, p. 34.

³⁴⁰ Catwalk.

- Rape and sexual slavery as punishment for being “rebel supporters” – Quite often the rape is done in connection with scalding water, knives, beating, kicking, and extreme brutality – due to the role of Mon, Shan, and Karen women as “sisters” to the whole community – this form of retribution is very harsh
- Rape during conscription of women for “entertainment” - a practice adopted from the Japanese military era in Burma, where “comfort women” were readily available to soldiers
- Military Fashion and Beauty Show – fines of 15,000 kyat were levied against villages who would not contribute daughters to be chosen for “entertainment” duties – women are quite often sexually assaulted during the shows in front of their military audience
- Conscription of women for sexual slavery in army bases – The “comfort women” are usually added to a regular “tour of service” where they are drugged and kept in a compliant state – a recent MON village head stated that 60% of the women in his village were selected at one time or another
- Rape during Porter Service – Women were impressed into work service, carrying military equipment
- Rape During Forced Labor – Since self-reliance in new business infrastructures has been passed on from the military forces in the field, a practice of operating sexual camps for the forced labor has been also put into action
- Rape caused by increased military deployment and land confiscation – Sometimes, in the relocation of whole villages, these practices are put into place to increase the Burman blood in the country

In truth, as stated by the report, women are not safe in any part of the country due to the Myanmar regime’s strategies.³⁴¹ This is another of the reasons, when combined with the starvation,

3. Refugees and Internally Displaced Peoples (IDP)

Refugees have been crossing the borders to escape the suppression of the military regime. The current number of refugees in Thailand now number approximately one million.³⁴² International law considers a refugee to be

³⁴¹ Catwalk.

³⁴²Downloaded from www.un.org on April 16, 2006. Figures form the UNHCR.

...[A]ny person who...owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his [or her] nationality and is unable or, owing to such fear, is unwilling to avail himself [or herself] of the protection of that country...

Because the definition requires that a person be outside his or her country, it effectively excludes internally displaced persons from receiving international protection. Moreover, because it focuses on individualized persecution, it does not recognize situations of generalized violence (such as wars), natural disasters, and large-scale development projects as legitimate causes of flight.³⁴³

Thailand only accepts refugees who flee from war, but these people are fleeing from “forced labor, executions, mass relocations, and systemic rape.”³⁴⁴ These refugees have been either repatriated or put to work in menial work (agriculture, fishing, etc.) at a mere fraction of the pay received by Thai workers performing the same work.³⁴⁵

Currently, there are about 145,000 refugees along the Burma-Thai border.³⁴⁶ These refugees are Karen, Kayin, and Kachin ethnicities. Shan refugees are not legally allowed to congregate in refugee camps in Thailand, and are immediately repatriated back to Burma into the hands of the Tatmadaw.³⁴⁷

According to data collected on the refugees by the World Food Program in 2005, 15% of the refugees face food insecurity while one-third of the children are chronically malnourished and 8% of the children being acutely malnourished.³⁴⁸ Reports from various refugee agencies have stated that the SPDC has actually restricted the access of these groups to the internally displaced persons within the country.³⁴⁹

IDPs cannot be accurately counted, but are believed to be in the range of almost 650,000 people made homeless in Eastern Burma alone.³⁵⁰ IDPs, under international law

³⁴³ 1951 International Convention on the Rights of Refugees – United Nations (UNHCR).

³⁴⁴ Marshall.

³⁴⁵ Amnesty International – ILO.

³⁴⁶ Amnesty international.

³⁴⁷ Amnesty International – Myanmar: Leaving Home report, p. 2.

³⁴⁸ Amnesty International – WFP.

³⁴⁹ UNICEF, UNDP, and WFP.

³⁵⁰ These figures are approximate levels – numbers average between 500,000 and 1,000,000 depending on the source.

thought, cannot be counted in the numbering of refugees, and are therefore in a much more precarious situation concerning receiving aid from international organizations.

Furthermore, the IDPs are difficult to track in Burma because of the way so many of them are impressed into forced labor situations around the country.

4. Health and Disease

The failing health care system works in the favor of the Tatmadaw as well. HIV/AIDS have become rampant among the population in Burma. According to recent figures, the entire 2004 budget for the national HIV/AIDS program in Burma was 22,000 US dollars, one of the lowest levels of spending in the world.³⁵¹ Simply by managing an inadequate system of health care, the Regime is able to eliminate numerous members of the ethnic minority without direct confrontation. This also keeps the general Burman population weak and unable to support a democratic movement in the lowlands.

This lack of interest in any part of the population is the key to understanding why the Myanmar regime will make no effort to stop the conflicts within their territorial borders. Instead of using direct warfare to eliminate the enemies of the state, they use the slow elimination of the population through indirect methods.

E. CONFLICT PERPETUATION

As stated by Jake Sherman in his analysis of the perpetuation of conflict in Burma, “if you do not care about your people, then sanctions are not an issue.”³⁵² 1/3 of all Burmese children are malnourished. The Tatmadaw survive by the perpetuation of a “negative Peace.”³⁵³

³⁵¹ Vaclev, p. 32.

³⁵² Sherman, p. 244.

³⁵³ Ibid.

Part of the function of war may be that it offers a more promising environment for the pursuit of aims that are also prominent in peacetime.....[keeping] a war going may assist in the achievement of these aims, and prolonging the war may be a higher priority than winning it.³⁵⁴

There are actually two conflicts in Burma: Military Junta versus the NLD / the military government and certain ethnic groups with which it is formally allied, and on the other hand, opposition armed ethnic minority group.³⁵⁵

War represents something other than a breakdown or collapse.....rather a creation of an alternate system of profit.³⁵⁶ The Burmese themselves, who are also suffering from the cruelty of the Tatmadaw military regime's rule, have not risen up to join the NLD and the ethnic minorities. "We are not thinking about Suu Kyi or General Than Shwe.....we're thinking about food, clothes, and housing."³⁵⁷

Guy Horton produced a report in May 2005 called: "Dying Alive: A Legal Assessment of Human Rights in Burma." This report focuses on the unique nature of the genocide in Burma. Unlike Rwanda, he states, there is not mass killing. Instead there is a slow, indirect form of destruction."³⁵⁸ Horton notates the systemic rape and forced labor being used to remove unwanted ethnicities from the Myanmar regime's path. To see the validity of Horton's assessment of the slow methodic removal of inconvenient human life from the country of Burma by the regime requires an understanding of the dual economic nature of the Burmese economy.

The importance of how the Myanmar regime is perpetuating this path of violence and ethnic cleansing requires a dual analysis of the economies in Burma. The first is a study of the overt economy, or the standard market economies tracked by international agencies and the Myanmar regime itself.

³⁵⁴ David Keen quote from the Sherman article "Burma: Lessons from the Cease-Fire" – p. 226.

³⁵⁵ Sherman, p. 227.

³⁵⁶ Keen, p. 19.

³⁵⁷ Schuman.

³⁵⁸ Perrin.

1. Overt Myanmar Economy

Since the overt economy is apparent through economic figures recorded around the globe by international agencies, it can be established through simple analysis of available data.

The current Myanmar economy is in total disarray, and on the surface, seems to be teetering on the verge of total collapse. The current per capita income in Burma is now \$225.00 US dollars per year equivalent. For comparison, the per capita income in Burma's neighboring countries is much higher.³⁵⁹ In 1987, the World Bank listed Burma as a Least Developed Country (LDC), designating it as one of the worst-developed economies in the world. The Heritage Foundation recently called the Burmese economy, "the most distorted in the world save for North Korea's."³⁶⁰ Over seventy-five percent of the population in Burma lives below the poverty line.³⁶¹

The United Nations Development Program (UNDP) currently ranks Burma 148 out of 176 countries in gross educational enrollment ratios and 157 out of 175 for Gross Domestic Product (GDP). The infant mortality rate in Burma is fifty percent higher than other Eastern Asian countries.³⁶²

The Burmese economy is heavily focused on agriculture, livestock, and fisheries, and forestry, accounting for 54 % of GDP. Manufacturing constitutes only 9 % while service account for 8 % of GDP. This leaves a significant amount of necessary black market and shadow economy economic support in order to keep the economy functioning. This is especially important when the number of new infrastructure is taken into account in the economic calculations.³⁶³

Also, the banking industry in Burma has recently been designated one of the most corrupt and malleable in the world by World Bank and International Monetary Fund (IMF) standards. The SPDC has ignored reports by the IMF, World Bank, and Asian

³⁵⁹ Thailand - \$8300.00 per year / India - \$3400.00 / China - \$6200.00 / Bangladesh - \$2100.00. CIA World Fact-book.

³⁶⁰ Vaclev, p. 8.

³⁶¹ Ibid, p. 10.

³⁶² Ibid.

³⁶³ Ibid.

Developmental Bank to initiate reforms.³⁶⁴ Although no formal proof has been produced, it is believed the corrupt banking system has become a laundering crossroads for terrorist money. Some banks in Burma have been linked to drug cartels, and money laundering by the funds from the illicit drug industry.³⁶⁵

In 2003, resulting from the increase in sanctions from Western economies, over twenty banks in Burma collapsed. Two years later, the banking system was still considered moribund, and unlikely to rebound on its own. The monetary system in Burma has suffered as well, resulting in a severe devaluation of the Kyat, the official money of Burma.³⁶⁶

The absolute control of the country's economy by the Tatmadaw is the main reason for the continually failing economy. The Tatmadaw's absolute control is currently centered in two companies: the Union of Myanmar Economic Holdings (UMEH) and the Myanmar Economic Corporation (MEC) who coordinate economic distribution through the country. Another organization, the Union Solidarity Development Association (USDA), which is controlled by the SPDC, is also involved heavily in the country's economy.

The UMEH, in a 1995-1996 report, summed its purpose is "to support military personnel and their families" and "to try and become the main logistics and support organization for the military."³⁶⁷ Only military members are shareholders in UMEH. The MEC's purpose is to funnel the expenses of the military over to the private sector and away from the public sector. This economic mismanagement would be enough to cripple the rule of the Tatmadaw, except for their absolute control of another vital agency in the political economy.

Another important facet of the Tatmadaw's economic dictatorship is the Myanmar Investment Council (MIC), which controls all FDI in Burma.³⁶⁸ Any resource which comes into the country can be diverted by the junta in any fashion it wants. Furthermore,

³⁶⁴ Vacle, p. 9.

³⁶⁵ Vacle, p. 8.

³⁶⁶ Although the Burmese government has been officially trading at 5.82 Kyat per the US dollar in 2005, it has been reported to be trading at 1057 kyat per US dollar on the black market. The inflation rate for 2003 was 49.7 percent, ranking Burma with the second-highest rate out of 176 recorded countries. Ibid.

³⁶⁷ Ibid.

³⁶⁸ Ibid, p. 11.

any resources the Tatmadaw can control within the country depart along the same lines, nearly 100% controlled by the SPDC and the ruling generals.

Although the economic system within Burma is on the ropes, there is still considerable foreign direct investment (FDI) into Burma. The Burmese country is also one of the most natural resource rich countries in the world. These investments into the infrastructure by other nation-states are considered to be the cornerstone of the “overt” economy in Burma today. Ironically, it is these investments which are the cornerstones of the “shadow economy” upon which the Myanmar regime in Burma survives.

2. Shadow Economy

In conflict economies, there is second economy which is linked, but is primarily separate from the “overt economy” which enables regimes like the Myanmar ruling military, to survive. As stated by William Reno, in his article: “Shadow States and the Political Economy of Civil Wars,” a shadow state is a relationship between corruption and politics, which has been created through a product of personal rule, and is usually constructed behind the façade of “de jure” sovereignty.³⁶⁹ In other words, the shadow state economy is a hidden market economy perpetuated in order to achieve the policies of the sovereign state.

a. Structure of the Tatmadaw Shadow Economy

In 1988, Burma possessed only \$89 million in hard currencies, and yet possesses over \$685 million in 2004.³⁷⁰ Even based on the questionable figures annually produced by the Tatmadaw-controlled economic agencies, these assets could not be produced at the same time the country was under such severe economic sanctions from the Western powers.

³⁶⁹ Reno, p. 45.

³⁷⁰ Schuman.

The era of rule under General Ne Win prepared the infrastructure for a dual economy to operate in Burma under his “Burmese way to Socialism.”³⁷¹ The sale of raw materials³⁷², foreign investment, and trade³⁷³ to maintain the power of the Tatmadaw regime, while ignoring the economic needs of its population, was a tried and true practice prior to 1988.³⁷⁴ This identical structure is now operating behind the scenes of Senior General Than Swe’s “Myanmar Roadmap to Democracy.”

One of the vital cornerstones of the Myanmar regime’s perpetuation of rule in Burma despite a failing economy, economic isolation, and multiple perpetual civil wars is the amount of foreign direct investment (FDI) received from abroad. Despite the US-led economic sanctions and political isolation, many countries are perfectly willing to partner with the Myanmar regime on large-scale economic endeavors.

For example, France’s Standard Oil has invested considerably in Burma in return for the rights to natural gas and oil. Malaysia’s oil company Petronas has done the same by investing considerably in the infrastructure of extraction, refinement, and transportation of Burman oil.

China is the largest contributor of funding to the Tatmadaw. China’s monetary support, although difficult to track, has numbered in the multi-billion dollar level. The majority of this investment has gone into the increasing military. As of 1995, the Chinese level of FDI had reached \$1.2 Billion US, or sixty percent of the total investments and trade.³⁷⁵ This level is over three times higher than the 1992 China levels of seventeen percent, when Japan and Southeast Asia invested over sixty percent of the FDI to Burma.³⁷⁶

Due to the military junta’s absolute control over the UMEH, the MIC, and the MEC, all FDI into the country can be manipulated by the Tatmadaw’s ruling

³⁷¹ Seekins, p. 526.

³⁷² Oil, tropical hardwoods, natural gas, fishery rights, minerals, jade.

³⁷³ Including the illegal narcotics trade under the movement orders, and then later under the cease-fire agreements.

³⁷⁴ Seekins.

³⁷⁵ Seekins, p. 529.

³⁷⁶ Ibid.

council³⁷⁷. Military expenditures have increased from twenty-nine percent to fifty percent of the government budget, not to mention the Shadow economic growth.

China has established “economic trading zones” on the Burmese border, managed and maintained by local territorial governors. For example, the Jieago Border Economic Zone on the Sino-Burmese border enables over \$400 million in trade, and is expected to reach \$1.2 billion US by 2008.³⁷⁸ Gong Nengzheng, the mayor of the border trading town of Ruili, has undertaken the expansion of numerous bridges to increase the flow of trade between the two countries. Ruili’s “China-Burma Friendship Street” is an important

The reason Burma is so lucrative to investing multi-national corporations and governments is the low cost of labor the Tatmadaw provides in these projects. This is primarily due to the slavery the Tatmadaw uses to complete the large-scale infrastructure projects investor nation-states desire to build in Burma. By forcing ethnic minorities into forced labor camps,

Singapore currently maintains seventy-two separate projects in Burma, amounting to \$1.6 billion US in FDI. India has also pursued infrastructure investment with the Myanmar regime, working on the development of a \$1 billion pipeline to transfer oil across the country. Even Thailand, a long-time critic of the Myanmar regimes’ lack of control of the drug-producing ethnicities on their border, takes advantage of the low cost of labor in Burma. Imports from Myanmar-controlled Burma now number \$1.5 billion US per year.

Japan has justified their economic relationship with the Myanmar regime by arguing that isolation will only increase the violent nature of the government. This distinction is very important to understanding why so many countries continue to engage the Myanmar regime despite its atrocious human rights records.

Although some countries can be characterized as simply being greedy, and turning a blind eye to the vicious practices of the Tatmadaw, some countries believe the continued economic relationships will enable the country to be brought to more civilized

³⁷⁷ Vacev, p. 11.

³⁷⁸ Schuman, p. 1 – a level equivalent to the total trade and FDI from China in 1995 – Seekins, p. 529.

practices. These countries, like Japan and South Korea, point to the failure of isolation policies pursued by the Western Economies. These isolationist policies, with their focus on human rights, only exacerbate the practices the Myanmar regime pursue, and increase their xenophobia.

The Myanmar regime's connection with China is vital to its survival as the ruling power in Burma. Being within China's sphere of influence protects the regime in the face of Western pressure from the US and the UK coalition of the European Union who wants Aung Suu Sang Kyi freed and restored to her rightfully elected position as President of the Burmese Union. In a more historical sense, Burma is a crossroads between India and China, placing Burmese rulers in the precarious position of sitting between two considerable powers.

Burmese regimes have long maintained their rule with the Chinese sphere of influence, and enjoyed the patronage of their neighboring superpower. This relationship solidified during the Cold War, when the Tatmadaw worked with Chinese support to fight the ethnic minority armies like the UWSA and the SSA, which had allied with the escaped Kuomintang Forces after the fall of China to the Communist forces.

In analyzing intractable conflicts like the one in Burma, the internal dynamics need to be understood before any specific actions can be taken. In other words, if the intentions of the military regime, as well as the other players gaining benefits from the perpetuation of the conflict, are not understood, no coordinated policies can be achieved.

The goal of the Myanmar regime is to maintain power using the traditional strategies of divide and eliminate among the ethnic minorities. The regime also desires to maintain the power by directly eliminating the NLD and its support. For China, the goal is to maintain its sphere of influence in Burma while maintaining a controlling access to the natural resources under the control of the Myanmar regime, specifically oil.

b. Benefits of the Shadow Economy

The Tatmadaw maintains a hidden defense accounting which enables the regime to survive despite the failing economy. First of all, the pay-offs from the black market funding is unable to be tracked, which means any amount of corruption can contribute to the regime without being tracked. Like all forms of informal politics, it is extremely difficult to trace the flow of funds.

Secondly, the Tatmadaw soldiers produce their own food. With no supply maintained by the superior chain of command in the military, all regional commanders are forced to exploit the agricultural production in their territories. Farmers are pillaged for their best foods in order to prevent being murdered, forced into slave labor, or having family members sent to the “catwalk barracks.” This damages the agricultural production; butt fulfills the Tatmadaw’s true goals of ethnic cleansing.

The removal of food starves the general population in the region. This keeps the Burmese population weak and malleable, but also makes the encroachment of famine among the ethnic minorities much easier to progress. Since the goal is to weaken both of these potential insurgent forces, damage to the agricultural production is a cost-effective way to ensure both populations are weakened.

Third, the Tatmadaw is not charged for the electrical production received by the rest of the country. Its entire electric operating budget has been removed from the government’s accounting, enabling the continual flows of FDI to be focused on operational military budgets, as well as the purchase of new equipment for further warfare and violence.

Fourth, the health budget of the Tatmadaw is separated from the general population, resulting in the military having protection from weakening health care system. An estimated thirty-fifty percent of Burma’s health budget is funneled directly to the military.³⁷⁹ Burma ranks 190th out of 191 countries in providing health care to its population. Only Sierra Leone ranks lower than Burma in this category.³⁸⁰ In a recent

³⁷⁹ Vaclev.

³⁸⁰ Ibid.

study of health care systems, it was found even bandages and simple pain killers were near impossible to acquire in the country, even in cities.³⁸¹

Fifth, a quota of the state's rice production goes to the military before any other portion of the economy. This maintains the military's food supplies above and beyond the general Burman population, and well above the ethnic minorities who focus the majority of their agricultural production on opium. This exacerbates the looting mentality of the regional commanders who have already exploited the local farmers for their personal and bureaucratic needs. After being exploited by the regional commander, the farmer will be forced to support the Tatmadaw on the national level as well.

Sixth, the logistical requirements and procurements of the Tatmadaw regional commanders are not supported by the military regime itself. All procurement is managed through the regional commanders, forcing the same exploitation and pillage for the procurement of material to support the operational requirements of the local forces.

Seventh, and final, is the benefit of forced labor to the Tatmadaw. The Tatmadaw is never forced to pay for the general labor in their forces. Occasional slave procurement missions will be undertaken to collect workers from the various ethnic minorities. The Mon, Shan, Karen, and Chin have all documented this continued practice to various international non-governmental organizations.

These seven factors of shadow economy manipulation are very important because they all reflect the lack of importance of the "real" economy to the Tatmadaw's day to day operating budget. With the short-term operating procurement tool of pillage available to the Tatmadaw forces, there is no reason to truly fear sanctions, even multilateral ones.

Economic benefits do not just go to the Tatmdaw, but are also received by the leadership of the militant armed ethnic militaries operating with the Tatmadaw, like the UWSA. It is important to note, that these benefits do not spread down to the general

³⁸¹ Vaclev, p. 11.

population of these ethnicities.³⁸² The more and more gains that the Tatmadaw re-distribute down to the ethnic leaderships, the less that is able to reach the Burmese or ethnic populations.

The illicit drug trade in Burma is one of the strong supporters of the Shadow economy in the country. Drug profits are significant in supporting the regional military commanders. Since the Tatmadaw requires its regional armies to acquire their own food, clothing, and other sundry materials, these regional commands use the local populations, particularly the ethnic populations, to support their forces. This encourages the regional commanders to continue the regime's policies of ethnic cleansing while maintaining their forces.

F. SUMMARY

The combination of the policies of eradication currently established by the Myanmar regime is supported by the counter-narcotic efforts, as well as the economic sanctions established, by the US in Burma. The regime's goals of manipulating this policy is easy to see once an assessment of the dual economies being operated within the country are seen.

In David Keen's article: "Incentives and Disincentives for Violence," a new analysis was devised, where conflict economies like the one in Burma, can be seen in a new light. Instead of the traditional view, where civil warfare only causes economic stagnation and peace is the only path to economic re-birth³⁸³, but instead "war represents something other than a breakdown or collapse.....rather a creation of an alternate system of profit."³⁸⁴ Once this alternate system of economic advantage can be seen, the understanding that the regime can accomplish its ethnic cleansing in spite of the numerous sanctions and policies placed against it.

³⁸² Sherman, p. 226.

³⁸³ Also known as the Tyranny of the Res (RE-build, RE-construct), where economic re-construction brings high revenue growth for companies investing in the country – peace brings FDI, etc.

³⁸⁴ Sherman, p. 19.

The direction in which the Myanmar regime is progressing is far from conducive to the regional security of Southeast Asia. According to a recent article in *Asia Times*, the Myanmar regime fears an invasion from the US is imminent.³⁸⁵ This *Asia Times* “Special Correspondent,” who has remained nameless in the article, claims a recent forty page, Top Secret Document concerning the regime’s fears of a US-led invasion from Thailand will come soon. Although this document cannot be currently substantiated, it does match the recent actions of the Military regime, which were, up until recently, not reasonable.

In early 2005, the Tatmadaw Military regime in Myanmar removed itself from the capital city of Rangoon. This “Xanadu,” which has come to be called “escape city” by the local Burmese, has been described as one of the largest construction sites ever seen.³⁸⁶ This document also goes on to describe Thailand as Burma’s “nearest enemy,” pointing to the annual US-Thai joint Cobra Gold exercise as a point of contention.³⁸⁷

The document also points to the new focus of the Tatmadaw to be a study of the United States’ military operations in Afghanistan and Iraq, and preparations for a war of attrition against the potential US military invasion.³⁸⁸ This new threat perception, re-instigated with the separation of East Timor from Indonesia, and re-invigorated by the US’ recent pre-emptive invasions against into two countries in the past two years.

The modernization policies undertaken by the Tatmadaw with Russia to complement the regime’s already expanding Chinese-supported forces have increased significantly in the past year.³⁸⁹ More importantly, these military hardware increases have been focused in the two portions of the Tatmadaw which is not traditionally counter-insurgency: the Navy and the Air Force.³⁹⁰

According to a guerilla source in the Karen National Liberation Army (KNLA), the Myanmar regime has re-deployed considerable artillery forces along the Thailand border. This is significant because of the useless nature of hardened artillery positions

³⁸⁵ *Asia Times* article.

³⁸⁶ Larry Jagan *Asia Times* article, p. 1.

³⁸⁷ *Ibid.*

³⁸⁸ *Ibid.*, p. 2.

³⁸⁹ 12 Mig-29 Fighters, new air defense batteries, and several new undisclosed military hardware purchases from the Russian Government have occurred recently.

³⁹⁰ *Asia Times* article, p. 2.

against “mobile, hit and run guerilla forces operating in a jungle-covered area.”³⁹¹ The deployment of artillery positions of this manner are for defense against a potential invasion, much like the establishment of a bunker complex at Pyinmana.

It is important to note, that the combination of policies enacted since 1990 concerning Burma, have only resulted in increased paranoia, centralization of power around the Tatmadaw ruling council, and further human rights atrocities being undertaken against the total population of the country. A re-evaluation of the policies towards Burma, and the Myanmar regime, must be undertaken.

³⁹¹Asia Times article, p. 3.

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VII. CONCLUSION

A. SUMMARY

In 1967, a KMT General stated:

Necessity knows no law. That is why we deal with opium. We have to continue to fight the evil of Communism, and to fight you must have an army, and an army must have guns, and to buy guns you must have money. In the mountains, the only money is opium.³⁹²

Although the KMT has been removed from the region for a long time, this General's view of the opium trade is as accurate today as it was in 1967. It has simply expanded beyond opium to yaa baa methamphetamines. Also, this desperate position of relying on the illicit narcotics trade to survive and fight has stayed with the ethnic minority armies who are still seeking autonomy.

As long as the issue of sovereign rule for the myriad of ethnic minorities exists, the US counter-narcotic policies in the region will find no success. Furthermore, as long as the US pursues separate single-focused policies of counter-narcotics and democratization in Burma, those policies will contribute to the Myanmar regime's hold on power in the country. Even worse, it will enable the Myanmar regime to continue its policies of ethnic cleansing against the minorities in Burma.

Since the US and its allies are unable to step back from its stances on counter-narcotics and democratization, a more unified focus is required, resulting in a progressive engagement of the problems resulting from the "Burmese Jigsaw."³⁹³ The complexity of the Burmese puzzle requires policies which can encompass the complexity of the issues.

B. POLICY RECOMMENDATIONS

The policy recommendations will be presented for counter-narcotics and for economic sanctions separately, with a summary analysis of the unifying factors which

³⁹² Jelsma, p. 40.

³⁹³ Selth, p 3.

can be accomplished by adjusting these policies, a new progressive application of diplomatic pressure can be applied to change the Myanmar regime's actions in Burma.

1. Counter-narcotic Policies

The US has a history of bilateral successes in counter-narcotics operations and policy implementations.³⁹⁴ For that reason, the counter-narcotic policies in Burma have been tailored along those lines. Very minimal action has been taken to enhance multilateral counter-narcotics efforts outside of the education leg of the triumvirate policies. Although this can be blamed on the lack of infrastructure in modern Laotian, Chinese, and Thai law enforcement agencies, the US can support more than the educational facet of their policies.

With the current focus in “virtual” border security being developed in the United States along the Mexico border, these technologies, and the advisory support which goes with it, can be extended to these countries’ counter-narcotic agencies.

With the MOU-6 in place, there is a UN treaty framework to increase multilateral patrols on the Mekong River. US counter-narcotic efforts in Latin America have been effective with the development of US advisory groups for the development of riverine forces to patrol in a law enforcement mission capacity.

Overall, the failure of the counter-narcotic policies in Burma is due to the political situation in the country, not the implementation of the policies themselves. As seen by the previous quote by the KMT General, without a removal of the conflict in Burma, there will be no removal of the opium trade to support the conflict.

It is important to note that the removal of the conflict would reduce the SPDC and the ethnic paramilitaries’ connection to the drug trade. To accomplish this though, a more realistic evaluation of the sanctions towards the Myanmar regime must be adopted.

³⁹⁴Downloaded from www.unodc.org on September 13, 2005. Also in the INCSR 2006.

2. Economic Sanctions

The US should not remove its economic sanctions from the Myanmar regime, but it should remove its policies of isolation. The policies of isolation have simply moved the country of Burma directly into China's sphere of influence. The adjustment of sanctions to a "carrot and stick" progressive engagement would influence the Myanmar regime to move towards more and more compromises with the NLD and ethnic paramilitaries in the country.

If there is progressive framework which gives concessions for each step the Tatmadaw regime makes, then there is a possibility of slow integration back into the community of nation-states. A step by step framework would resemble concessions like these:

- A. Release of Aung San Suu Kyi in return for diplomatic recognition
- B. Restoration of the NLD's seat in the constitutional congress in return for US economic grant packages
- C. Cessation and guarantee of the autonomy agreements of the ethnic minorities in Burma (with their acceptance of Union of Burma sovereignty) in return for economic normalization with US and Western European nations

It is important to note that this is a simplified version of the multitude of steps which would need to be taken, but it expresses the engagement policies which would accomplish the ability to increase diplomatic relations, and possibly stem human rights atrocities being perpetrated in the country.

3. Combined Policies towards Burma

Any policies being considered towards Burma cannot be devised without consideration towards its position in the greater international arena. Therefore, policy recommendations will be structured on the most influential actors towards policy revisions.

a. China

China maintains more relations with the Myanmar regime than any other country. They are in the best position to engage the Myanmar regime without forcing the regime deeper into xenophobia. Increased pressure from a unified US-China stance would influence the Myanmar regime more effectively than the singular US approach. Currently, the time is more advantageous for a unified approach from these two great powers.

China's relationship has been strained as of late with Myanmar. Beijing, despite rolling out the red carpet for the visit of Prime Minister General Soe Win in the beginning of 2006, has been frustrated with corruption in Burma concerning Beijing sponsored infrastructure projects.³⁹⁵ Corruption has slowed many projects in Burma, to include: construction of a major container yard at Bhamo, a deep sea port at Kyakphu, and highway connecting the port to the container yard.³⁹⁶ Still, financial support, as well as public support, is still forthcoming from Beijing concerning the Myanmar regime, and their mutual relationship.

China's relationship with Burma's regime is no different from its relationships with other countries in its sphere of influence.

China needs to realize that until it stops protecting tyrants in its neighborhood and around the world (North Korea, Burma, Pakistan, Sudan, Iran), China cannot win respect as a responsible and constructive global great power.³⁹⁷

China must develop its reputation as a contributing member of the international community if it hopes to continue its rise to a position of more prominence among nation-states outside of its sphere of influence. China must take a position which enables a stronger leadership position in global arena, and a developed stance towards human rights concerning

³⁹⁵ Jagan – China's Uneasy Alliance with Myanmar.

³⁹⁶ Ibid.

³⁹⁷ APSS.

b. ASEAN

ASEAN is in an advantageous position to facilitate change in Burma. Burma has reacted to internal pressure from its fellow ASEAN members previously.³⁹⁸ As stated by the ICG Myanmar report on economic sanctions in 2004: ASEAN has a particular role and responsibility to encourage the necessary change.³⁹⁹ Although ASEAN nation-states have operated on a policy of elective engagement to prevent this very occurrence, the increase in relations between China and the Myanmar regime shows the failure of this policy. The important lesson from ASEAN and Burma is the success of the ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC) in influencing the Myanmar regime with direct engagement.

The APMIC was formed in November 2004 by ASEAN legislators in Malaysia in order to leverage pressure on the Rangoon regime to comply with the requirements of its ASEAN membership.⁴⁰⁰ The initial campaign by AIPMC was the campaign to have the Myanmar regime give up its turn as the Chairman of ASEAN.⁴⁰¹

AIPMC has come out in public support of the UN Security Council petitions by the Honorable Václav Havel and Nobel Prize Laureate Archbishop Desmond Tutu's joint declaration for the UNSG to intervene in Burma.⁴⁰² AIPMC has even been so bold as to leverage pressure on China, requesting the country to use its influence with the Rangoon regime to facilitate further democratic reform.

With the UNSC once again petitioned by ASEAN nation-states and the Western world, the pressure on Burma to change has increased. Still, with China and France holding veto positions in the UNSC, there is very little hope for a consensus vote on the country. While the UNSC can be used as a forum for political debate, it has been

³⁹⁸ The option to not take its appointed turn as the Chairman of ASEAN in 2006 – 2007 was decided by the Myanmar regime under considerable pressure from the other ASEAN member nation-states.

³⁹⁹ ICG Report: "Myanmar: Sanctions, Engagement, or another way forward?"

⁴⁰⁰ Downloaded from www.aipmc.org on April 16, 2006.

⁴⁰¹ Ibid.

⁴⁰² AIPMC SEP 23 Press Statement, p. 1.

hindered by the veto power of the council members. Regional efforts will enact change, while the UN will be used as a support mechanism for those changes.

4. Policies after the Sanctions are Revised

These US policies were not implemented with wrong intentions. The cultivation and trafficking of illegal narcotics, especially those as dangerous as the ones grown in Northeastern Burma, should be stopped. Also, the Myanmar regime should have diplomatic and economic pressure placed on it for its numerous atrocities and refusal to honor the NLD's victories in the 1990 elections. The US must simply re-assess its position in the world, and its ability to influence other countries diplomatically and economically.

Also, the timing for the original implementation of these policies occurred in a different international political arena. With the close of the Cold War, numerous countries enacted more and more democratic reforms in their political institutions. Also, the United States' popularity as the leader of the free world and leader of human rights movements resulted in considerable diplomatic strength. Today, in the era of the GWOT, the US' waning popularity following the 2003 invasion into Iraq, and the rising regional powers of China and India, the US does not have the ability to leverage the need unified front on Burma it could in the 1990s.

The US must maintain its stance of illicit narcotics, human rights, and democratization. Without a doubt, they are cornerstones of US foreign policy. This does not mean that an assessment of how those policies are implemented cannot be re-evaluated. With seventeen years of no discernable success, an assessment of the global arena where these policies are being implemented was necessary.

Current US economic and diplomatic pressures on the Myanmar regime allow for two outcomes: the fall of the regime by economic starvation or the fall of the regime by internal collapse. This simply fulfills the xenophobia of the Tatmadaw leadership, who

seek nothing more than survival, as stated in their national strategy. The result of this, in the past seventeen years, is a further and further retreat into isolation, and an increase in the brutality of their policies of control.

Once the economic sanctions are refined, and a more realistic policy of engagement is established with the Myanmar regime, a return to the US and UN counter-narcotic efforts, in their current incarnation, can be implemented. The combined triumvirate of policies enacted by the UNODC and the US drug agencies are not bad policies. They are simply being implemented in a global context which undermines their effectiveness.

The ethnic minorities in Burma need a developmental program to remove opium and yaa baa as their sole source of survival. While they are being ethnically cleansed, and are forced to fight for their very existence, there will be no hope for these policies to be effective.

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